Revenge by Machete Scourges Sierra Leone

Ousted Rebels Mutilate Helpless Civilians

By James Rupert
Washington Post Service

WATERLOO, Sierra Leone -The new savagery of Sierra Leone's civil war is inscribed in the bodies and spirits of its farmers and chil-

On refugees who gathered here last week to meet foreign visitors, long, shiny scars of coarsely healed machete wounds snaked across backs, skulls and necks. Scores of subsistence farmers and other villagers from northern and eastern Sierra Leone including aged grandparents and young children — bore the stumps of

amputated arms or fingers.
Since April, after popular resistance and Nigerian troops forced a military junta from power in this lush West African country, Sierra Leone's seven-year civil war has descended into brutality as inscrutable as that in Africa's Great Lakes region in recent years or in Cambodia in the 1970s. Former Sierra Leone Army soldiers and rural-based guerrillas are avenging their ouster from power by methodically mutilating villagers, leaving most to die and dooming survivors to lives as manual laborers without

At a recent meeting in Freetown, the capital, humanitarian aid orgamizations and the government estimated that 1,000 people have had limbs amputated and thousands more have been otherwise mutilated or killed since last spring, said Prince. Cummings, country director of the Adventist Development and Refief

in normal times, about two thirds of Sierra Leone's 5 million people work the land, mostly growing small

By Barry James

A U.S. airworthiness directive or-

dering operators of Boeing 747s to keep center fuel tanks partly full at all times

cuttaffed the range of the jambo jets Friday and forced operators either to

consider renoming their sircraft or fly-

ing with fewer passengers to stretch

neir range.

Airlines said the effect on their sched-

uled long-hand services was limited, but

several said they were studying what

heasures they would have to take to comply with the order.

issned the directive after wear and premature failure of fuel pumps was dis-

covered on some aircraft, posing the

A Boeing Co. spokesman, Russ Young disputed the risk of an explo-

rail ranks to keep the pumps covered.

It said the order was unrelated to the

and crew members. A spokesman ex-plained that the fuel pump from the center tank of the aircraft had been

recovered and found to be undamaged. There are 1.087 Boeing 747s in op-

eration, some of which have been flying for nearly 30 years. The order applies immediately to the 246 craft registered

in the United States, but foreign airlines typically follow the agency's rulings.

The new directive applies to the fuel also between the wings of all models of

Operators were also told to stop using

tanks in the horizontal stabilizers in the

tail of longer-range Boeing 747-400s.

That reduced capacity by 3,000 pounds

(1.360 kilograms) or enough to fly about 400 miles (640 kilometers) and cut the

plane's maximum range to 8,000 nant-

ical miles. Wing tanks on both kinds of

Carriers were considering refueling

stops or limiting passengers or cargo to

theoretical risk of a spark hazard.

The Federal Aviation Administration

Range of the World's 747s

plots of rice, vegetables, peanuts, cassava or other crops to feed their families. For most, manual labor is the only way to survive.

"To chop off their hands makes them feel useless," said Daniel Wil-hams, a Sierra Leonean nurse who treats amputees at a Red Cross center near Freetown. "They can feel like

Guerrillas of the rebel Revolutionary United Front long have been known for brutalizing and enslaving civilians around their strongholds along the eastern border. But Nigerian officers of the West African peacekeeping force here, as well as many Sierra Leoneans, say the terror tactics also are being used by bands of former soldiers that rove through mountainous northern areas, attacking isolated towns and pro-government forces.

In a sprawling camp of mud huts around an abandoned airstrip here, 35 kilometers southeast of Freetown, about 250 amoutees are among 12,000 people uprooted by the war. They come from disparate areas but recount similar stories of rebel as-

Fina Kamara, a slim, quiet 28-yearold, occasionally caressed the stump of her left arm as she told of the attack in April at her village of Kondembaia. She had come home from planting peanuts when "suddenly we heard gunfire," she said.

Armed men appeared, seizing Miss Kamara, her daughter N'Damba, 6, and seven other villagers. They eathered the villagers at a large tree, and, one man told us that 'since you want a civilian government, we're

See WAR, Page 4

compensate for the loss of fuel -- both

in the horizontal stabilizers and in the

center tanks, which formerly were

Cathay Pacific Airways in Hong Kong

said, for example, that it now planned to include a fuel stop in Anchorage, Alaska,

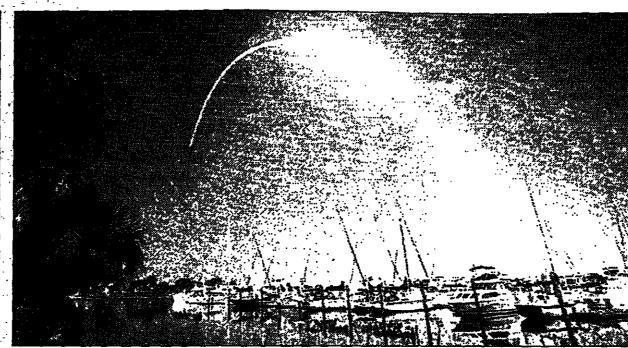
on its flights to Los Angeles to guarantee

the safety of passengers.

All-Nippon Airways said it would

See 747, Page 4

at the limit of their range.



A time exposure from a marina in Titusville, Florida, showing the launch of the shuttle Endeavour on Friday.

Construction Job in Space Under Way

U.S. Shuttle Orbits 6 Astronauts With Module for 5-Year Project

By William J. Broad New York Times Service

CAPE CANAVERAL, Florida -The planet's most daring and risky construction job began Friday as the shuttle Endeavour carried into orbit six astro-nauts and the first American-built part of a planned international outpost that is expected to cost more than \$100 billion.

During the 12-day flight, the Endeav-our astronauts are to locate a Russian part already in orbit, grasp it with the shuttle's robot arm and attach the new American module while making the first of 160 planned spacewalks. Two persons are always to do the walks, for reasons of safety.

Wielding tools hundreds of miles above the earth, working methodically in the cold void, the astronauts are to start a five-year assembly job that is likely to make the construction of the pyramids and great cathedrals look like child's play. New Safety Order Curtails

Space Station, dominated by solar power sgrays, is to cover an area equal to two football fields. Modules of internected laboratories and living quarters for up to seven astronauts are to form a habitat equal to that of two 747 jetliners. The station's batteries alone, if lined up, would extend a half mile (just under a kilometer).

The measure would have the greatest effect on airlines plying long-haul routes between Asia and the United States or The high risk comes because of the technical difficulty of putting all this together, compounded by knotty pol-Europe, where aircraft typically operate

The Russians, whose participation in the partnership cinched the post-Cold War deal five years ago, are now a wild card. Moscow's economic and political woes have left Western officials unsure of Russia's commitment as well as its abilities in terms of money and technology.

Another risk arises from the station's

astronomical costs, which are increasingly criticized by scientific foes who fear that its growing dollar appente will eat up their own federal funding.

Experts debate the exact numbers. but the most credible estimates put the price of assembly and operation for a decade at around \$110 billion. Of that, U.S. taxpayers are to pay roughly \$96 billion, and the project's 15 foreign partners about \$14 billion.

Minor new costs were added Thursday as the first assembly flight neared its rocky start. A last-minute alarm during

the countdown at the Kennedy Space Center here forced the National Aeronautics and Space Administration to halt Endeavour's planned launching just 19 seconds before the scheduled liftoff.

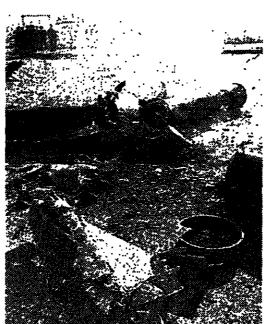
But Friday's bid went off flawlessly at 3:36 A.M. eastern standard time, right on schedule. The night sky was clear and the moon full. With a roar, Endeavour made its fiery ascent and briefly turned the Florida coastline from night to day. More than five minutes and

See SHUTTLE, Page 4

'Sorry,' Seoul Says of Missile

Debris from an anti aircraft missile launched by South Korea on Friday cluttering the ground near the border with the North. Military officials called the launching an accident and apologized for it.

The missile, sent into busy airspace, was destroyed by a builtin safety device : seconds after it went aloft, sending a shower of metal fragments over a residential area. Three people on the ground were slightly injured. Page 5.



Job Surge In U.S. Eases Fears About A Slowdown

Gain in Payrolls Cuts Unemployment to 4.4% And Starts Stock Rally

> By Mitchell Martin nutional Herald Tribune

NEW YORK - The American economy unexpectedly created more than a quarter of a million jobs in November, the government reported Friday, as companies in the service sector more than compensated for falling employment at manufacturers.

The news allayed fears of an economic slowdown and kindled a rally on Wall Street, where the Dow Jones in-dustrial average gained 136.46 points to close at 9,016.14.

The unemployment rate fell to 4.4 percent from 4.6 percent in November as payrolls grew by 267,000. Analysts had been expecting only about 170,000 new jobs, and the big gain came along with upward revisions to the September

and October numbers. In Washington, President Bill Clinton took the opportunity to point out that the U.S. economy had created about 17.3 million jobs since he took office in 1993, although he acknowledged that millions of people could be working full time "and still be living in poverty." He was speaking in support of tax credits for low-income people.

Robert Parry, president of the Federal Reserve Bank of San Francisco, said he was surprised by the report but was maintaining his prediction that the U.S. economy would grow by 2 percent to 2.5 percent next year, down from this year's pace of about 3.7 percent, Bloomberg News reported from Port-land, Oregon, where Mr. Parry was ad-dressing a breakfast.

He said weakness in manufacturing probably would limit growth in the coming months, although so far, economic data have not provided "con-

vincing signs" of a slowdown.
Still, even if Mr. Parry is correct, a growing economy bodes well for corporate profits, at least compared with a recession. The employment report, the first important economic data from November, helped overcome worries earlier this week about corporate profits. The mood on Wall Street was particularly glum Wednesday, after Boeing Co. said it would cut up to 48,000 jobs by the end of 2000, expanding an estimate of 28,000 lost positions by the end of next year.

The Boeing announcement came on the heels of Exxon Corp.'s agreement to buy its competitor Mobil Corp., a combination that is likely to lead to 9,000 job

See JOBS, Page 12

U.S. Says Citibank Bent Rules for Salinas Deposit

By Tim Golden
New York Times Service

"We've done tests with those pumps, and we're convinced this problem would not ignite fuel vapor," he said The U.S. agency said that airlines should always keep some fuel in center NEW YORK - Eager to do business with Raul Salinas de Gortari, a brother of the former president of preventing overheating or sparks and reducing the amount of explosive jet Mexico, Citibank executives ignored some of the bank's own safeguards against the laundering of illicit funds, according to a congressional report released Friday.

As the bankers took in millions of dollars from Mr. Salinas, they never asked for the usual information on oc life feel tank explosion aboard.
Two High 800 off New York in July
1906 which killed all 230 passengers

his financial background and made virtually no effort to verify the source of the money, the report said. After Mr. Salinas was arrested on murder charges in 1995 and lawyers for the bank began monitoring his accounts, his personal banker at Citibank in New York quietly advised Mr. Salinas's wife to move the money lsewhere, apparently without the consent of the bank's legal department.

And even when Citibank had finally told U.S. officials about Mr. Salinas's suspicious transactions, and after his wife had been arrested as well, the bank failed to tell the government about the network of foreign shell companies and offshore accounts that the bank had set up to shield the Salinas forume.

The disclosures, in a report by the General Accounting Office, the investigative arm of Congress, represent the most detailed accounting yet of how Mr. Salinas used a special Citibank unit reserved for its

wealthiest customers to move as much as \$100 million

out of Mexico secretly. Mr. Salinas and the bank have repeatedly denied any wrongdoing. Whether any U.S. laws were broken remains unclear.

Federal prosecutors in New York are continuing to investigate the possibility that Citibank, a unit of Citigroup Inc., illegally laundered the money. Officials at the Justice Department and the Federal Reserve Bank refused to discuss the case with congressional investigators.

The investigation illustrates some of the reasons

See BANK, Page 4

The Dolla Friday @ 4 P.M. 1.6758 1.6715 118.57 118,755 5.622 1.6655 9,016.14 + 1.54% 1,176.54 + 2.30% 2,001.84

Argentines Charge Iranian in 2 Blasts

BUENOS AIRES (AFP) - Argentina charged an Iranian Friday in con-nection with two deadly bomb explo-sions in Argentina, the 1992 bombing of the Israeli Embassy and a 1994 attack on a Jewish center, officials said.

The Supreme Court ordered charges to be filed against Nahrim Mokhtari, who was arrested hours earlier when she stopped over at Ezeiza International Amport in Buenos Aires on a flight from Paris. She was on her way to Montevideo, in neighboring Uruguay, the police said.

Miss Mokhtari is said to be a key figure in the two bomb attacks that killed a total of 115 people and wounded 500 others.

A spokesman for Argentina's Jewish community said that information obtained from Miss Mokhtari's former husband, Wilson Dos Santos, a Brazilian, indicated that "Mokhfari is a key element" in the investigation.

The spokesman, Rogelio Cichowolsky, said that Miss Mokhtari had been "searched for intensively" by intelligence services and that it appeared that she had planned to re-enter



SEASIDE SUMMIT - Jacques Chirac of France, left, with his prime minister, Lionel Jospin, right, and Tony Blair of Britain on Friday in Saint-Malo. They agreed on a more independent European defense posture (Page 2), and played down tensions on taxation. (Page 13.)

Censure and a Fine?

President Bill Chinton is open to the possibility of a congressional reprimand coupled with a fine as punishment short of impeachment for his behavior in the Monica Lewinsky affair, the White House said on Friday. Page 3.

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Lafontaine Argues Case For Europe With Rubin

WASHINGTON - Treasury Secretary Robert Rubin, heading into talks Friday with the new leftist German finance minister, Oskar Lafontaine, praised Europe's help in spurring global economic growth. But few other signs of agreement

emerged from the talks. Mr. Rubin rejected Mr. Lafontaine's proposals for shifting the political balance within the International Monetary Fund and fended off the view that Europe should be given a stronger voice within the Group of Seven leading industrial nations.

"The Europeans have contributed very constructively in what has been a very complicated set of issues over the last year." Mr. Rubin said, "most recently with their bilateral contribution to the support package for Brazil.

Twenty industrial countries, including the United States, Germany, Britain and France, will provide \$14.5 billion to a \$41.5 billion rescue package for Brazil pulled together by the International Monetary Fund last month.

Mr. Lafontaine indicated that Mr. Rubin rejected the new German government's view, shared by some other governments in Europe, that the IMF's policy-making Interim Committee should be granted more power.

Mr. Lafontaine said he believed it

was "well worth considering" the idea of giving more power to the committee, a group of ministers that meets twice a year, as proposed by the IMF managing director, Michel Camdessus.

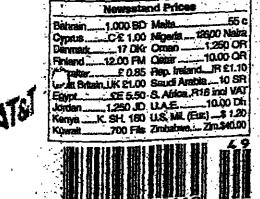
Mr. Lafontaine also said Mr. Rubin had urged him to consult other Group of Seven members on European nations' demands to bolster their voice in the group. "Mr. Rubin said we should do some more coordination on this with the Canadians and the Japanese," Mr. Lafontaine said after a closed-door meeting with the U.S. Treasury secretary.

There is some concern about increasing the number of participants at G-7

meetings, he added.

The 11 countries preparing for the introduction next month of a single European currency proposed a plan this week to give the currency bloc its own voice at G-7 meetings — in addition to the seats occupied by individual countries in the European Union.

See LAFONTAINE, Page 4



aircraft were not affected.

By Joseph Fitchett International Herald Tribune

PARIS - Britain and France said Friday that Europe must give itself the means to intervene forcefully in such crises as a Balkan flare-up in which Europeans might want to act on their own because the United States did not want to involve

Europe needs to be capable of "autonomous action," meaning that it needs to acquire a way to make joint foreign policy and the military means to back it up, according to a statement issued by Prime Minister Tony Blair and President Jacques Chirac at their summit meeting in Saint-Malo,

Their formal commitment to the idea of Euro-pean defense went farther had been expected in Washington and in other European capitals, according to diplomats in Paris. They said that allied governments were skeptical when they were in-formed last month that Paris and London felt the time had come to put substance into what diplomats call "the European identity" in foreign and

For international credibility, the statement said, the European Union needs to be able to draw on "suitable military means — European capabilities predesignated within NATO's European pillar or national or multinational European means outside the NATO framework."

The Clinton administration and Britain and France have repeatedly emphasized that the European allies should shoulder a bigger share of the Western defense burden. The goal was highlighted in the joint call Friday for strengthened armed forces backed by more modern technologies and a stronger defense industry in Europe.

But the prospect of action along those lines raised concerns among officials in Washington and among Europeans in some allied capitals that the initiative by Britain and France could call into question some of the institutional arrangements in NATO and in the European Union by conferring special authority on a handful of European na-

The pivotal question — how would a new European role relate to NATO? — was most clearly expressed in the word "autonomous." A British official said the word was selected for the state-

ment to avoid any suggestion that the Europeans were seeking independence from the Western al-

For the European Union to be able to respond to international challenges, it "must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them and a readiness to do so," the statement

Practically, officials said, Europe must acquire some long-range transport and some spy satellites either by building its own or getting firm confirmation that the United States would lend these assets to Europe in a crisis. Such cooperation has been promised in NATO but never confirmed by Congress or formalized as an automatic right.

Another sensitive point implicit in the text was a iew restricting joint military decision-making to the handful of European countries that are prepared to assume collective defense obligations. In practice, the authority would go to EU member states that also belong to NATO, eliminating such countries as Ireland and Sweden and marginalizing Norway and Turkey, which are in the alliance but not in the EU.

The blueprint implies that the nations involved in European defense would be Britain, France, Germany, the Netherlands, Belgium, Luxembourg, Italy, Spain and Portugal. In effect, it would be a coalition of the willing in which decisions would be made among governments, with no authority given to the European Commission in Brus-

All 15 EU nations would benefit, however, from by this collective military effort because it would provide credibility for a future high representative of Europe in international affairs, a post that is soon to be created by the EU.

Britain and France have said that they want to avoid infringing on NATO's authority or under-mining U.S. support for the alliance, and the joint statement emphasized that any steps taken toward European military cooperation would conform to the allies' obligations to NATO.

The initiative will be debated at a meeting next week of NATO foreign ministers and then at an EU summit meeting this month. French and British officials said they hoped to finalize the arrangements before the NATO and EU summit meetings

Poles Seek to Arrest Expatriate in U.K.

By Peter Finn Washington Post Service

WARSAW - A military court has issued an arrest warrant for a naturalized British citizen who
was a military prosecutor in the postwar Stalinist
regime in Poland, and the Polish government said it
will seek her extradition from England.
The move lobs another historically charged case

into the British justice system, after that of the former Chilean dictator Augusto Pinochet.

Helena Wolinska, 79, who lives in Oxford, is accused of ordering the illegal arrest and detention of General August Emil Fieldorf, a hero of the non-Communist Polish resistance, the Home Army, during World War II.

After an eight-hour trial in April 1952, General Fieldorf was found guilty of ordering the murder of Soviet soldiers toward the end of the war and was sentenced to death. On Feb. 24, 1953, at age 58, he

sentenced to death. On Feb. 24, 1953, at age 58, he was hanged in a Warsaw prison yard.

"He was a noble soldier," said Mieczyslaw Sosinski, a prosecutor with the Main Commission for the Investigation of Crimes against the Polish Nation, which opened an examination of the Fieldorf case in 1992. "The charges against him were totally absurd. They just wanted to wipe out all independent forces in Poland."

A spokesman for the British Embassy in Warsaw said he could not comment on the case.

Izabella Borowicz, a spokeswoman for the Pol-ish commission, said the Pinochet affair had no bearing on the decision to pursue Miss Wolinska.

who has denied wrongdoing.

Miss Wolinska, who was active in the Communist resistance during the war, became a military prosecutor in 1950 and was known derisively Warsaw Dolores." She signed the Fieldorf arrest warrant in 1950 and had him held for six months before he was charged, a violation of Polish purple line. Law at the time, which required charges within 14 "We have to be here," said Lieutenant Yair days, officials said. Miss Wolinska had no role in General Fieldorf's trial or sentence, they said.

Turk Is Accused

BRIEFLY

PARIS — Human rights groups asserted Friday that Turkey's new ambassador to France ran a secret political police force before his appointment and asked France to either put him on trial or expel

The groups said that Ambassador Sonnez Koksal, who arrived in Paris a few months ago, had been head of Turkey's MIT intelligence organization between 1993 and 1997. He "helped carry out the policy of physically eliminating Kurdish intellectuals suspected of nationalism," the critics charged.

Danielle Mitterrand, widow of former President Francois Mitterrand and head of France Libertes. said at a news conference that Mr. Koksal, as head of the MIT, was "guilty of the death of thousands of innocent Knrdish intellectuals, lawyers, writers, journalists and union leaders."

A spokesman for the Turkish

Embassy declined to comment on the allegations but said of Mrs. Mit-terrand: "She is always saying whatever comes into her head."

In addition to France Libertes groups joining in the protest in-cluded the International Federation of Human Rights, the International Committee for the Liberation of Kurdish Deputies Imprisoned in Turkey and the MRAP anti-racism

Yeltsin Called Fit

MOSCOW - President Boris Yeltsin is fit enough to return to work but Prime Minister Yevgen Primakov and Kremlin doctors have urged him to remain in a hospital longer to complete his recovery from pneumonia, his chief spokesman said Friday.
"According to Primakov and

what I have myself seen, Boris Nicolayevich is full of energy and ready to return to the Kremlin as early as tomorrow," said Dmitri Yakushkin, the spokesman.

Mr. Yeltsin was admitted to the hospital on Nov. 22 with a high temperature and pneumonia and ordered by doctors to rest for 8 to 10

Aziz Visit Reported:

MOSCOW — Deputy Prime Minister Tariq Aziz of Iraq will visit Moscow next week for high-level talks, diplomatic sources said

They said that Mr. Aziz would stay three days and probably meet with Prime Minister Yevgeni Pri-

Israelis Ponder Lebanon Role

7 Deaths Force Army to Justify Presence Across Border

By Deborah Sontag New York Times Service

YARON, Lebanon - While the Israeli public debates a military withdrawal from Lebanon. Private Gil Shalom, his hair spiked with gel. strums his guitar to relieve the anxious boredom of being stationed on a bluff here above the sporadically deadly conflict between his fellow Israeli soldiers and the Shiite Muslim guerrillas who bomb and

Like his bunkmates, Mr. Shalom, a medic who is 19 and a great fan of alternative rock music, alternates between feeling pride and dread that his first tour of duty has landed him at the Tsurit army post just inside the war zone that is southern Lebanon. "The first day you get here, suddenly you feel that this is the real thing," he said Thursday, a

week and a half into his assignment. The sirens go off, you crouch down in a rabbit hole with your friends, and you realize deep in your stomach that you could be one those casualties of

"After all we train, it's good to feel you're in a position to do something for your country," he continued. "But the guys, we don't like to say we're afraid.'

In the last two weeks, seven Israeli soldiers have been killed by the Iranian-backed Hezbollah guerrillas in southern Lebanon. The spate of funerals, all televised, prompted anew what has been a cyclical re-examination of the 20-year-old Israeli occupation of this "security strip" along the Israeli-Lebanese border. While the politicians discussed military tactics and diplomatic strategies, many Israelis asked aloud if there remained a purpose in putting

the lives of Mr. Shalom and his friends on the line. The Israeli Defense Forces, saying it would be a mistake to withdraw unilaterally from Lebanon. staged a public relations offensive for the foreign press at an army base in Sfad, Israel, on Thursday.
With support for their presence in Lebanon at a halt "acts of incitement and violence." low, their goal was to portray the military operation

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as a success, despite the recent killings, and to argue that unilateral withdrawal would expose northern Israel to attack.

"To every family of a soldier killed, the loss is 100 percent," said Brigadier General Shuki Shichrur. "But as a country, as a state, as armed forces, sometimes we have to pay a price.'

The Tsurit army post sits high above the verdant Jordan Valley on a wind-whipped hilltop, exposed and chilly even under the noon sun. It lies barely over the purple line that separates Israel and Lebanon, at the edge of the zone where Israeli troops aim to serve as a buffer between the guerrillas and northern Israel. Army officials contend that the guer-

rillas, directly backed by Iran, and indirectly by Syria, aim to conquer Israel and make it part of a large Muslim state. Critics, though, say the guerrillas' main goal is to kick the Israelis out of Lebanon, and that the conflict is kept alive by the Israeli Army presence there.
Israeli ministers traveled here Wednes-

day; outposts such as Tsurit are at the edge of the conflict and see little direct warfare. They, too, spoke with soldiers like Shalom, teenagers who talk earnestly about

Private Gil Shalom relaxing at the Tsurit army post. serving their country while acknowledg-

ing that they call their nervous mothers everyday. After their visit, the ministers were supposed to have issued a statement on Lebanon, but were distracted by violent events in the West Bank and East Jerusalem.

Instead, the cabinet stated a new policy on the peace effort. It decided to freeze the carrying out of the agreement until the Palestinians accepted three conditions: to abandon plans to declare a Palestinian state by May 1999; to accept Israeli cri-



Palestinian leader Yasser Arafat, said he was surprised the Israelis did not add a fourth condition: that we sing the Israeli national anthem.'

An opposition leader, Ehud Barak, said the Labor Party would withdraw its safety net of support for Prime Minister Benjamin Netanyahu's shaky coalition if a freeze were imposed.

A world away from the Israeli-Palestinian conflict, the officers and soldiers in Lebanon pointed down the hill to a kibbutz within firing range of the

On Thursday, Ahmed Tibi, an adviser to the Perry, 21. "Otherwise, they won't be there."

A Breakthrough on Returning Nazi-Looted Art

By Thomas W. Lippman Washington Post Service

WASHINGTON - Thousands of works of art looted by the Nazis could be restored to their rightful owners or their heirs under guidelines approved by 44 countries at a conference here. Conference organizers and participants de-scribed the agreement as a breakthrough that will

change the worldwide art market and make legitimacy of ownership a criterion equal to authenticity of the work in decisions on sale and The art world will never be the same," Stuart

Eizenstat, undersecretary of state for economic affairs, said of the U.S.-sponsored guidelines. "The way we deal with the sale, purchase and exchange of Nazi-confiscated art has been altered. This changes the whole context of the way in which museums and galleries will look at art. Mr. Eizenstat said he and other delegates were For Northern Ireland

especially surprised and pleased at the cooperation of Russia, which he called "an enormous step forward." Russia accepted the guidelines, agreed to take part in a planned international database on looted art and turned over key documents relating to an collections seized from Austrian Jews.

American art experts welcomed Russia's promise to consider claims from individuals seeking the return of works looted by Nazi and Soviet forces during World War II. "It represents a step forward in principle," said Jonathan Petropoulos, an art historian at Loyola College in Baltimore. "We will just have to see how it works out in practice."

The Russian pledge was made in a speech to the conference by Valeri Kulishov, director of the restitution department at the Russian Culture Ministry. Mr. Kulishov also promised to contribute information on Russian holdings of looted art to an international database.

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Delegates to the three-day conference, sponsored by the State Department and the U.S. Holocaust Memorial Museum, included representatives from most European governments, as well as Jewish groups and art dealers.

The conference represented the most ambitious effort to date to square accounts from the Nazi era in Europe more than half a century ago. With the issues of looted gold and unclaimed bank accounts largely resolved through earlier negotiated settlements, organizers sought to resolve the claims of stolen or looted art.

The "Principles With Respect to Nazi-Confiscated Art' call for, among other things, the opening of all records and archives; the allocation

of human and financial resources to the identification effort, the encouragement of potential claimants to come forward, and the negotiation of "a just and fair solution," such as compensation, when claims are validated.

Details of how provenance would be authenticated and how much compensation would be paid and by whom remain to be worked out by individual countries. In agreeing to the guidelines, the countries involved pledge to establish systems to resolve these questions.

The guidelines are not legally binding — they are not a treaty obligation," said Mr. Eizenstat, the head of the U.S. delegation -- but were described as "moral commitment" to a good-faith effort.

TRAVEL UPDATE

No Relief for French Rail Travelers

PARIS (AFP) — French rail traffic was expected to be heavily disrupted for the ninth consecutive day Saturday as striking conductors in most regions voted to continue their actions over new and striffic.

striking conductors in most regions voted to continue mem action over pay and staffing.

As in previous days, traffic was disrupted Friday throughout the country except in Brittany, northern Picardy and Pas-Calais and in the northeast Champagne and Ardennes regions. The strike was expected to continue Saturday in the 17 regions affected. Suburban trains in the Paris region and bight speed to the paris region. and high-speed trains were running normally.

The historic pedestrian alleys of Naples will become one-way from Dec. 13 to Jan. 6, with signs to be put up on about a dozen of the narrow alleys, including the creche-lined Via Sar Gregorio Armeno, to help ease congestion.

(AP)

No Accord in Sight

Agence France-Presse

BELFAST, - The stalemate that has deadlocked the implementation of the Northern Ireland peace accord continued Friday with no agreement in sight on the

province's new governmental structure.

After raised expectations prompted by a visit Wednesday and Thursday by Britain's prime minister. Tony Blair, both Protestant and Roman Catholic leaders ruled out any immediate resolution. A key participant in the talks, David

Trimble, who is first minister of the Northern Ireland Assembly and the Protestant leader of the Ulster Unionist Party, was leaving for Washington for a peace award ceremony and a meeting with President Bill Clinton this weekend before going to Oslo to receive the Nobel Peace Prize on Thursday.

Gerry Adams, president of Sinn Fein, the political wing of Irish Republican Army, accused the unionists of trying to renege on the agreement. Speaking Fri-day as he traveled to Dublin to meet Bertie Ahem, president of the Irish Republic, he said: "Everyone generally accepts that the unionists reneged on the deal. This is a carneo example of what they are doing with the overall agreement.'

The chief obstacle to the accord has been IRA disarmament.

WEATHER Forecast for Sunday through Tuesday, as provided by Accultivatiner.



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White House Expresses Openness to Censure by Congress and Fine

WASHINGTON—President Bill Clinton is still ger to keep his job.

The possibility of a congressional reposition of impeachment for his behavior in the Monica stinutional hurdles, the president himself would Lewinsky affair, the White House said on Fri-

Increasingly concerned that House Republicans are moving toward an impeachment vote, the White House made clear that it was listening to various alternatives being floated by moderate Republicans and some Democrats.

"We are aggressively listening," said the White House spokesman, Joe Lockhart. Asked if Mr. Clinton would be willing to pay.

a fine, Mr. Lockhart said: "I finish if members in good faith want to pursue that option and approach representatives here at the White House with that option, we will listen and take anything said Representative Peter King, Republican of they say seriously. But I am not going to predict what might happen in a hypothetical incident."

His remarks represented the strongest sign to

date that Mr. Clinton would prefer the censure which we believe will not pass, would be giving option, in which he would stand in strong con- the president a victory he would not deserve,

demnation by the House of Representatives but Mr. King said. "This is to show that Republicans

have to consent to the fine.

But more Republican turmoil surfaced Thursday as some moderates were assembling a proposal to ceasure Mr. Clinton, Circumventing the House Republican leadership, the group sent the proposal directly to the White House for scrutiny. The moderates' stance put them at odds with Tom DeLay of Texas, the majority whip,

who has come out vehemently against censure and is fighting to keep such a proposal off the House floor.

"The main purpose is to make sure the president is not allowed to walk away unpunished," New York, who was working on the proposal along with Representative Mike Castle, Republican of Delaware. "A vote on impeachment,

as the governing party have a strong resolution condemning the president's behavior." Many prominent Republicans across the

country, however, are expressing measiness with the impeachment proceedings,

Republicans on the House Judiciary Committee say there is credible evidence that the president committed perjury and other impeachable offenses. Moreover, they say they are dutybound to follow a constitutionally established process and cannot be swayed by public opin-

"The guys who have the constitutional and historical responsibility are us," said Representative Christopher Cannon, a Utah Republican on the committee.

A large majority of House Republicans seem inclined to follow the panel's lead. Most come from politically safe districts -- only 10 House Republicans won election in November with 52 percent or less of the vote - and consequently would few face repercussions from constituents in voting for impeachment. Indeed, many Re-

publicans face pressure to satisfy their conservative base or what lawmakers call the subtle rgings of Mr. DeLay.

But a growing number of Republican governors, mayors and state party officials are expressing reservations about the Republican-led

inquiry or outright opposition to impeachment.

Governor John Rowland of Connecticnt, a former three-term Republican congressman, said in an interview Thursday: "Did Clinton do something wrong and lie? Yes, But does impeaching the president serve any public good? The answer is absolutely not.

"Now is the time for Congress to get past this issue," said Mr. Rowland, who added that the House should censure Mr. Clinton. "They should focus," he said, "on the Asian financial crisis, Social Security, improving the quality of life and on being civil again.

Mayor Rudolph Giuliani of New York, who also has said the accusations against Mr. Clinton do not amount to impeachable offenses, said last month, "The rush to impeachment by Republicans has been very, very harmful to us.

POLITICAL NOTES

Governor Paul Cellucci of Massachusetts was equally blunt "I don't think it's helping the

Republican Party."
Other Republican leaders, such as Governor Marc Racicot of Montana, a former state attorney general, expressed doubts about the way the Judiciary Committee has conducted its investigation. "I've been somewhat concerned that the process is less judicial than what I thought it should be," Mr. Racicot said.

The committee's zigzagging over the past two weeks — into Mr. Clinton's 1996 campaignfinance practices and allegations that the president groped a White House volunteer in 1993 - has perplexed many of the party faithful. On Thursday, the committee canceled plans to question the director of the FBI and a former Justice Department prosecutor about their investigations of und-raising practices in the 1996 campaign.

'Every time there's a new twist, it confuses people about the mission of the Indiciary Committee," said Greg Brock, executive director of the Michigan Republican State Committee. (Reuters, NYT)

Rules on Impeachment Are Precise

Senate Guidelines Even Dictate a 1 P.M. Start to President's Trial

By Guy Gugliotta and Helen Dewar

Washington Post Service WASHINGTON - It would begin at P.M. sharp. Chief Justice William Rehnquist would be the presiding of-ficer. Representative Henry Hyde, Republican of Illinois, would probably be the prosecutor. Senators would be the jury, required to sit silently at their desks. If they had questions, they would be written on slips of paper and passed pustice Rehnquist, who would decide whether they would be asked.

Senate rules lay out with precision the procedures that must govern a presidential impeachment trial, a spectacle of such gravity that several lawmakers have publicly described it as the most serious thing Congress can do short of declaring war.

The Senate has tried a president only once, but this month the House is expected to vote on articles of impeachment against President Bill Clinton and at least one of them - a charge that Mr. Cliaton lied before a grand jury about his relationship with a former White House intern, Mornica Lewinsky -

might pass.
If it does, the Senate's rules obligate the members to convene a trial at 1 P.M. the day after they receive the article or articles from the House, and "continue in session" until "final judgment shall

There is scant evidence that anyone in Congress has come to grips with the prospect of conducting a presidential impeachment trial based on a single charge of perjury regarding a private sexual liaison and of doing so after what would possibly be a razor's edge House vote, mostly along party lines.

The leader of the majority Republicans in the Senate, Trent Lott of Mississippi, said Thursday that no preparations were under way. "We're not making any plans or preparations at this time," he said. "At the appropriate time, if need be, we will have a bipartisan effort to make sure we know how to proceed if it's necessary. But we're not at that point."

The leader of the minority Democrats in the Senate, Thomas Daschle of South Dakota, simply stated the obvious:

"The Senate will wait until the House acts," he said this week. If the House votes impeachment, the Senate will be in session "almost exclusively, until we resolve it '

Mr. Lott has suggested, however, that the Senate might also proceed with other business during a trial by "double-tracking" it with legislative action. No one has expressed the belief that the Senate will come close to convicting

Mr. Clinton by a two-thirds majority and removing him from office.

But despite the Senate's frequent role as a graveyard for especially provocative House initiatives, that does not mean a trial can be avoided through senatorial sleight-of-hand if impeachment articles are passed.

Avoiding a trial would require that two-thirds of the Senate vote to suspend the rules governing impeachment, ac-cording to the chamber's parliamentarian, Robert Dove. In fact, suspending any Senate rule is such a rare occurrence that Mr. Dove can recall it happening only "three to four times" in the last 30 years, and only in cases involving esoteric legislative procedures.

Bradley Puts Gore on Notice

NEWARK, New Jersey — Bill Bradley took the first step Friday toward challenging Vice President Al Gore for the Democratic presidential nomination, saying he wants to "help unleash the enormous potential of the American

Mr. Bradley, the former U.S. senator from New Jersey and professional basketball star, formed a presidential exploratory committee to begin raising money for a campaign.



Bill Bradley, who has begun a fund-raising effort.

similar step. Senators Bob Kerrey of Nebraska, John Kerry of Massachusetts and House Minority Leader Dick Gephardt of Missouri also are considering presidential campaigns.

Mr. Bradley posted a "personal message" on his new internet site Friday that says, "I am considering seeking the Democratic nomination for president in the year 2000. I would run to improve the opportunity for more Americans to live healthier, more economically secure, more personally fulfilling lives."

(AP)

Senator Paul Wellstone of Minnesota has already taken a Please. No More House Work

WASHINGTON - Bob Livingston has a rebellion on his hands. Not over impeachment. No, the speaker-designate of the House of Representatives has to resolve something even more weighty - a matter that so deeply affects members of Congress that they have drummed up a perition.

The concern is this: How many days a week should the House work? Five, as Mr. Livingston has proposed? Or the

three to which members have become accustomed? Sixty-five members, most of them Republicans, have signed a petition and sent it to Mr. Livingston and other House leaders, saying: "Please do not expand the Washington legislative schedule to five days a week. The present three-day-a-week calendar gives us ample time to complete our legislative business and also allows us sufficient time to do important district-related work."

Mark Corallo, a spokesman, said Mr. Livingston was aware of the legislators' concerns and had not yet decided about "the parameters of the calendar."

Quote/Unquote

Lawrence Barcella, a veteran federal prosecutor who has defended numerous targets in independent counsel cases, after a jury acquitted the former Agriculture Secretary Mike Espy following a \$14-million investigation of gift-giving to the former cabinet member: "Independent counsels are one-trick ponies, assigned to look at one person, so they do one trick. They end up thinking the crime they're looking at is equivalent to genocide. . . The first victim of every independent counsel investigation is perspective." (WP)

Death Row Sentence Ends in Texas Creek

HUNTSVILLE, Texas — The weeklong hunt for a death row fugitive, Martin Edward Gurule, ended as two

prison; the others surrendered when guards fired shots. He was found dead

Thursday in Harmond Creek, near the prison, officials said.

The discovery of his bloated body,

still clad in a prison uniform, ended an

among the seven to make it out of the Johnson, a senior Texas prison official.

the body, according to a spokesman, Larry Fitzgerald.

The authorities said they found a sheet of cardboard wrapped around Mr. The state of the condense of the condense of the prison where the prison of th

that he died not long after fleeing.

The cause of death will be determined The two prison workers were fishing in the creek at dusk when they noticed by an autopsy, Mr. Fitzgerald said.

Venezuelans Head for Polls

CARACAS - Standing before hundreds of thousands of roaring supporters, many wearing his trademark red parachutist's beret, Hugo chavez, a former coup leader, laid out the choice for Venezuelan voters in the presidential election

"Here there are two options," Mr Chavez, 44, bellowed from a platform high above the crowd at his final campaign rally Wednesday. "Corruption and the same old thing,

or the salvation of the country." Mr. Chavez's main opponent is Henrique Salas Romer, 62, a Yaleeducated businessman who built a reputation for efficiency as governor of the industrial Carabobo state.

In 1992, Mr. Chavez initiated an unsuccessful military revolt against the government, denouncing conruption and speaking out on behalf of the part. His rise to the top of the polls need reflects frustration with the failure of the democratic government

and free markets to reduce poverty. The presidential campaign has polarized Venezuela. The poor see Mr. Chavez as a hero because of his tough anti-corruption talk, but the upper classes fear he will become a leftist dictator.

Bob Haggart, 84, Jazz Bassist **Who Played in Many Groups**

New York Times Service

NEW YORK — Bob Haggart, 84, a bassist and arranger who performed with an extraordinary variety of jazz groups during his nearly 70-year career, died Thursday in a hospital in Venice, Florida, after collapsing on his way to the post office.

Not only did he record with some of

the greatest black jazz musicians, including Louis Armstrong, Ella Fitzgerald, Billie Holiday, Duke Ellington, Sarah Vanghan and Charlie Parker, but he was a mainstay in some of the great white bands as well.

By the end of his life he had participated in the bands and recordings of figures like Bob Crosby, Eddie Condon, Muggsy Spanier, Wingy Manone, Jess Stacy and Jack Teagarden, and had become an important part of the neo-traditionalist movement that he helped start by forming the World's Greatest Jazz Band in 1968 with the trumpeter Yank Lawson

In small groups his buoyant, swinging playing came to the forefront, at his several appearances at New York's 92d Street Y in the 1990s, Mr. Haggart's playing always enlivened the band, making the music swing harder. His first significant work in jazz was

as a bassist with the Crosby band, to which he added not just his bass work but arrangements that often proved to be classics, including "What's New,"
"South Rampart Street Parade" and
"The Big Noise from Winnetka," a

duet for bass and drums. Freddie Young, 96, Cameraman In Movies Who Won 3 Oscars

LONDON (Reuters) - The triple Oscar winner Freddie Young, 96, hailed as one of the world's great cameramen for his images in "Lawrence of Arabia"

and "Dr. Zhivago," died Tuesday. Mr. Young, whose first job in the industry was as the teaboy in a British silent film studio, won international acclaim for his work with the director David Lean that made them the toast of Hollywood.

Mr. Young built up his profession in Britain during the pioneering days of cinema, and won three Oscars, for "Lawrence of Arabia," "Dr. Zhivago" and "Ryan's Daughter."

Roy Burrowes, 72, an American jazz trumpeter and composer who played with Duke Ellington, Ray Charles and Sonny Rollias, died of lung cancer in a London hospital on Wednesday.

Jesus went to Jerusalem

"Not long before the Jewish festival of Passover, Jesus went to Jerusalem. There he found people selling cattle, sheep and doves in the temple. He also saw money-changers sitting at their tables.

So he took some rope and made a whip. Then he chased everyone out of the temple together with their cattle and sheep... He turned over the tables of the money-changers and scattered their coins...

The disciples then remembered that the scriptures say 'My love for your house burns in me like a fire.' "

JOHN 2.3



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Away From Politics

A government psychiatrist concluded that the man charged with killing two police officers in a chaotic spree inside the Capitol on July 24 is mentally unfit for trial and should be hospitalized indefinitely.

(AP)

•A former army paralegal who pleaded guilty to spying for East Germany during the 1970s and 1980s and testified against two old college friends was sentenced in Alexandria, Virginia, to 12 years and seven months in prison.

• The rate of abortions in the United States held steady in 1996 at itr lowest level in two decades, the national Centers for Disease Control and Prevention reported. There were 20 abortions per 1,000 women aged 15 to 44 - the same rate as

DEATH NOTICE For those who knew him. With special thought goes out
to our friend
Alexandre Mguebroff
former correspondant for Agence Press who left us on December 3, 1988 on his 85th year.

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BAAN Company N.V. Update on Pendency of Class Action

NEW YORK, Dec. 2, 1998- The following statement was issued today by the law firm of Abbey, Gardy & Squitieri, LLP:

A class action was commenced on October 16, 1998, in the United States District Court for the District of Columbia on behalf of all purchasers of Baan Company N.V. (NASDAQ: BAANF) American Depository Receipts ("ADRs") between January 30, 1998 and October 12, 1998, inclusive (the "Class Period"). Purchasers of Baan ADRs should be aware that other class actions, including actions on behalf of those persons who purchased both non-ADR Baan shares and Baan ADRs as early as January 27, 1997 and continuing through October

2, 1998 have been commenced. The complaint in the class action charges Bean Company and certain of its officers and directors, with violations of U.S. federal securities laws. Among other things, pleinfill claims that: (1) defendents issued a series of materially felse and misleading statements regarding the company's financial condition and the success of its softwere products during the Class Period, and (2) defendants entered into non arm's length, releted-party transactions in order to hide uncollectible receivables, to inflate Beam's revenues and earnings and to increase the market value of Bean's shares. Plaintiff alleges that she and other investors, because of defendants' conduct and misrepress entations, paid more for their Baan ADRs then they were worth.

If you purchased Been shares during the period Jenuary 27, 1997 through October 12, 1998, you may, not later than December 15, 1998, move the court to serve as lead plaintiff of the class, if you so choose. In order to serve as lead plaintiff, however, you must meet certain legal nequirements. If you wish to discuss this action, or have any questions concerning your rights or interests, please contact: James Jay Selmarco (JSelmarco@a-g-a.com) or Stephen T. Rodd

(SRodd@s-g-s.com), ABBEY, GARDY & SQUMERI, LLP, (800) 889-3701 (toll free) or (212) 889-3709 Fax (212) 684-5191 USA

The state of the s

By Alessandra Stanley

broke out recently in an attic of the royal palace here, the flames were quickly detected and extinguished.

But that accident reignited a simmering controversy over the way the palace is being used that is far more difficult to

The Reggia di Caserta, begun in the mid-18th century for Charles III, the Bourbon king of Naples, to rival Versailles, is one of the most imposing

President Bill Clinton dined under its place to go. gold ceilings during the G-7 summit meeting held in Naples in 1994. George middle. They want the military to leave Lucas, a film director, chose its late Baroque marble staircase for a scene in stay in Caserta, where they provide 300 military from Caserta and from dozens from the palace. his coming "Stars Wars" movie, "Epis- jobs and spend about \$9 million a year. of other cultural sites. She said the air

ode One: The Phantom Menace." The palace has 1,200 rooms (Versailles has ing fought in Caserta, moreover, is de-700) and is surrounded by a 250-acre CASERTA, Italy — When a fire park that includes a 256-foot cascade.

Unlike Versailles, however, the palace in Caserta is not solely a museum. Only 44 rooms are open to the public. Eight hundred rooms are now under military occupation - specifically, the Italian Air Force's training school for noncommissioned officers.

The museum director, the Culture Ministry and art lovers want the military out. But the general in command at Caserta and his men would prefer to stay, arguing that they have no other

Local officials are caught in the the palace, but they also want them to

cades old, and far from unique. It took nearly 50 years, but the Culture Ministry finally secured an agreement with the move an officers' club out of the Palazzo Barberini, one of Italy's national gal-

leries, in Rome. Retired officers are still having genteel lunch here under their 17th-century dining room's ceiling fresco, but the museum is renovating a smaller 1930s villa in the back of the property, expecting the officers will one day move. The incident at Caserta, which oc-

curred shortly after the new culture min-ister, Giovanna Melandri, was appointed, lighted a fire in Rome.

The emotional, many-sided battle be- force had agreed to find a new location

'In Caserta, we need to find a use for the available space that is more comdefense and finance ministries in 1997 to school is incompatible," Mrs. Melandri said in an interview.

In Caserta, from opposite wings of a palace spread over four courtyards, the soldiers and the museum workers seem as compatible as hostile neighbors in a Zuccaro, a museum official, pointed out because his men were living nearby. an 18th-century vault fresco by Mariano Rossi that had to be restored because of damage Mr. Zuccaro said was caused by cadets' showers above.

The commander of the school, which was established here in 1948, said that as Mrs. Melandri, 36, vowed to expel the a soldier, he would obey orders to retreat

Of course we would be unhappy to On a practical level, if they told us, leave time it was nearly ready, tight military so we can do this, this and this, I would budgets had cut empliment at the school leave but that is a sentimental discourse. patible with a museum. A military so we can do this, this and this, I would understand. But to be told just to go away, that I do not understand."

Like other officers there, General Santicchi argued that the school spends \$800,000 a year to maintain its part of the building, and is a useful tenant. He crowded Naples high rise. Vincenzo argued the fire was found and put out

> "Our fear is that if we leave, nothing. will take our place," he said. "It's like seeing a home turn into an abandoned

> But his case is complicated by the fact that 10 years ago the air force decided the palace was getting too small for the school, and began building a \$125 million complex eight miles away in Capua,

mander, General Alessio Santicchi, said. with most of the money coming from the European Economic Community.

It took 10 years to build, and by from 2,000, to 900 today. Now, the air force argues, Capua is too big for the school, and would be too costly to run.

Mrs. Melandri said it was the military's problem to find a new site by Feh 2. General Santicchi said that even if the air force chose Capua, that site was not ready for habitation. "They haven't built the barracks, and that could take another year or two," he said.

Luigi Falco, the mayor of Caseria, who said he wants to convert other inused military buildings in town for the school, laughed merrily at Mrs. Melandri's February deadline.
"That," he said, "is not a realistic

deadline. It's an Italian deadline."

Cambodia Steps Up ASEAN Bid

Issue Is Likely to Divide Members at Group's Hanoi Summit

By Michael Richardson International Herald Tribune

SINGAPORE — Cambodia intensified moves on Friday to join the Association of South East Asian Nations as part of an effort to win early international acceptance and aid. But some ASEAN members want to be sure the new Cambodian coalition government is soundly based before admitting it to the group, officials said.

The question of whether or not to accept Cambodia, now the only Southeast Asian country not in ASEAN, is likely to be a contentious issue when leaders of the group meet in Hanoi later this month.

The host nation, Vietnam, as well as Malaysia and Laos, support Phnom Penh's immediate acceptance to complete the process of regional unity; but the Philippines, Thailand and Singapore favor delay, officials said.

Meanwhile, Japan, which is Cambodia's largest source of assistance and wants to expand its economic influence in Indochina, has indicated that it would like to see Cambodia accepted as an ASEAN member at the heads of government meeting in Hanoi on Dec. 15-16.

Japanese officials said they were concerned that postponing Cambodia's entry could delay resumption of foreign aid and cause economic and political instability in a country devastated by the rule of the Khmer Rouge in the 1970s and further weakened by civil war and political faction-fighting since then, despite a \$2 billion program by the United Nations to restore peace.

Cambodia's entry to ASEAN was suspended in July 1997 after Prime Minister Hun Sen ousted his the hope of being able to reclaim Cambodia's seat then senior co-prime minister, Prince Norodom Ranariddh, in a power struggle that led to bloody Hor Namhong said in Phnom Penh that Mr. Hun

clashes in Phnom Penh and dozens of politically motivated killings, according to human rights ob-

The two rivals agreed last month that their parties would form a new coalition. The government, headed by Mr. Hun Sen, was sworn in on Mon-

day.

He immediately called for resumption of international aid, which contributed about half the government's annual budget before the United States, the European Union, Australia and other donors suspended all but humanitarian assistance in the wake of the July 1997 coup.

'Cambodia's ASEAN membership is a prior-"Mr. Hun Sen said. "The recovery of Cambodia's UN seat is also a priority. Normalization of relations and resumption of aid by foreign countries and other financial institutions are also my message

While welcoming formation of a new coalition government in Phnom Penh, donor countries said

they had not yet decided whether to resume aid. The United States said Monday it wanted the new Cambodian government to respect and protect the political and human rights of all its citizens, and to bring to justice those who violate those rights. "We will be looking at various aspects of our

policy in light of these developments and as the situation continues to evolve," said the State Department spokesman, James Rubin. The United Nations General Assembly's cre-

dentials committee decided in September 1997 to leave Cambodia's seat vacant because of the coup. Shortly before flying to New York on Friday in



YAWN BETWEEN DANCES: Cambodian children dressed in traditional Khmer costumes awaiting their turn to dance during a school event in Phnom Penh on Friday.

official visit to Hanoi on Dec. 13, two days before

the ASEAN summit meeting opens.
"If Cambodia is admitted, then he will attend the ASEAN summit," Mr. Hor Namhong said. "But if we are not allowed to enter, then Hun Sen will come back and we'll leave a senior official there as an

Cambodia has had observer status in ASEAN since July 1995. The nine full members of the group are Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

The admission of a new member of ASEAN

was founded in the early 1990s by Foday

nothing" and that the only way to have

Recently, facing global criticism for

their brutality, the rebels have slowed

but not stopped, the mutilations. The

wonder when they might go home - but

the amputees worry also about how they

Sen had been invited by Vietnam to make an must be decided by consensus, meaning that no existing member has a strong objection.

But officials said Friday that there was unlikely to be such a consensus when ASEAN foreign ministers met in Hanoi next Saturday to finalize the agenda and prepare recommendations for the leader

Reflecting the concern of Singapore and Thailand not to admit Cambodia before they could be sure the political situation there would stabilize, Foreign Secretary Domingo Siazon of the Philippines said recently that "if we accept Cambodia now, there might be another battle later on and then we would have to solve the problem again."

BANK: Citibank Is Faulted

Continued from Page 1

federal regulators are stepping up scrutiny of the high-end services called private banking and why they have be-gun to propose steps for banks to track customers' financial movements and

backgrounds more closely.
"We determined in the Salinas scenario that Citibank's voluntary controls did not work," the investigators wrote. "Citibank, while violating only one aspect of its then policies, facilitated a money-managing system that disguised the origin, destination and beneficial owner of the funds involved."

The study was issued weeks after Swiss authorities moved to confissible \$114 million from Mr. Salinas, asserting that the funds represented protection money paid by drug traffickers.

In a statement, Citibank said the re-

port "contains errors of fact and interpretation." A spokesman for the bank, Richard Howe, would neither detail the errors nor address any specific

The report also said that officials in the Office of the Comptroller of the Currency, which has not investigated the case, believed that America's civil banksecrecy statute had probably not been violated. The law says prosecutors can only prove that Mr. Salinas or the bank violated money-laundering statutes if they first show that the money was from an unlawful source. The prosecutors would then have to demonstrate that the bank knew or should have known that the money was illicit.

idence to prove in a criminal trial that Mr. Salinas had earned his money by one of the handful of crimes, such as drug trafficking, that are covered abroad under the federal money-laundering stat-

Swiss investigators, who faced a much lower evidentiary threshold to confiscate Mr. Salinas's deposits there, based their case in part on statements by convicted drug traffickers imprisoned in the United States. Although U.S. officials have dismissed some of those potential witnesses as unreliable, they said prosecutors in New York had interviewed others whom they considered credible.

Testifying as a government witness in

an earlier money-laundering trial, the Citibank executive who worked on Mr. Salinas's account, Amy Elliott, suggested that the bank's "know your customer' policies were fundamental to efforts to deter illegal transactions.

Although Ms. Elliott said she and her colleagues had evaluated their potential customers carefully, checking their business dealings and credit backgrounds and visiting them as often as 12 times a year, the congressional investigators found that she had worked quite differently with Mr. Salinas.

'Citibank made no attempt to investigate Salinas's background before accepting him" as a customer in 1992, the report states. It also said Ms. Filiott, still an employee in good standing, had filed neither a standard financial profile nor a financial background check - nor, as bank policy required, did she ask to have

the requirement of a profile waived.

Ms. Elliott said in her statement that she believed that much of Mr. Salisas's money had come from the sale of a construction company. But as the deposits flowed in, generating \$1.1 million in fees, bank officials never learned the company's name

Under the system Ms. Elliott devised, Mr. Salinas's wife, Paulina Castanon, would pick up cashier's checks in pesos Citibank subsidiary in Mexico City, convert them to dollars and wire the proceeds to New York using the name Patricia Rios — a first name that she did not otherwise use combined with her make er's family name.

Congressional investigators, like Swiss detectives before them, were inable to establish the source of the pesos that Mr. Salinas kept in Mexican

From Mexico, Mr. Salinas's money went to a Citibank account in New York that disguised its origins by mixing it with deposits from other banks and customers. The funds were then sent to Swiss and British accounts in the name of a Cayman Islands shell corporation, Trocca Ltd., that was secretly controlled by Mr. Salinas.

The congressional report says that after Mr. Salinas's arrest in February 1995, Ms. Elliott filed a brief financial profile and went to Mexico City without the knowledge or consent of the bank's legal representative to try to persuate Mr. Salinas's wife to close her hasband's Citibank accounts.

His wife did try later to consolidate his holdings but was arrested in Switzerland that November. Only then did Citibank file a criminal referral form, the congressional report states, and it still neglected to mention Trocca or the Swiss or (Bloomberg, Bridge News, Reuters) British accounts.

WAR: Sierra Leone Rebels, Seeking Vengeance, Maim Helpless Civilians With Machetes The anguished, unanswered question

Continued from Page 1

going to cut off your hands or kill announced that they would start with

Creole).

So "men grabbed her out of my lap and stretched her out on the ground."
Kamara recited slowly. "They held her arm down on a big root" of the tree and setting them on fire. Many injured people flee into the bush for days or washes dving of blood loss or infection, and then the blow that severed her

Thrust aside as the men wrestled down their next victims, Miss Kamara ran to her daughter and fled the village, holding the bleeding stumps of their arms. N'Damba "started to faint and asked for water," but when Miss help, an alarmed resident threatened to

Miss Kamara said she strapped her daughter to her back, alongside her un- two bones of the forearm into a pincer

NEW YORK — Scientists have

The key is a gene that acts like a

down the activity of another gene that Maryland.

molecular rheostat, turning up or

produces a protein the AIDS virus

uses as a doorway to enter cells. A

normal variant of the rheostat gene

accelerates the onslaught of the AIDS

HIV infection progresses rapidly.

injured infant son, 'and I carried them out into the bush. I found a place to hide eration has been little-used in the West is why the rebels pursue such grisly

She was lucky. She met her husband N'Damba, "and called, 'Little girl, and an uncle, who carried her and her come here.' "But N'Damba cried and daughter, getting them to a nearby town refused, Miss Kamara said, speaking in for treatment within two days. Refugees the national language known as Krio (or told of seeing rebels chop off villagers'

screaming, blood and confusion, Miss said Margaret Staff, an Australian who Kamara remembers being seized next, coordinates treatment of the injured for the International Committee of the Red

> Of the hundreds who have made it to Freetown for treatment, she said, "I think we're seeing just the tip of the

At a Red Cross-run hospital, volunteer surgeons try to repair the damage. Kamara approached a house to seek. They have revived an operation invented by a German surgeon named Krukenberg during World War I - removing muscle tissue to reconstruct the

About one person in 10 has the gene

variant, which is described in a report

oratory of genomic diversity at the National Cancer Institute in Frederick,

Dr. O'Brien said the discovery's

immediate importance was in eval-

uating AIDS vaccines, because it was

important to know a group's genetic

slowed the course of the disease.

them, and then went out to the road" to because often the cosmetic appearance terror. The rebel Revolutionary United number of Sierra Leoneans who have lost both hands have asked for the op-

Musa Mansari, 18, a high school senior, has lost both hands but with his pincer has learned to eat, dress, wash himself, use the toilet and write. Mr. Mansari do their exercises and not to give up,'

hoped to become a doctor. But now a question about his future leads him into a long silence, his eyes focused on some spot far out on the Atlantic Ocean. Finally, "I want to continue school," he said. While he knows little about computers, he is convinced that learning to use them may offer him a way to make a

living without hands.
"I hope he can find a way," Miss Staff said, noting that there are not many schools with computers in Sierra Le-

the east coast of the United States and Japan. The problem does not arise when planes travel in the other direction, a spokesman said, because they are helped

Japan Air Lines, the largest operator of 747s — it and a subsidiary use 85 it, a spokesman said.

were looking at the problem but sug-gesting no immediate changes in sched-

stops, they could prove expensive because they could entail flying in replacement crews to ensure that pilots did not exceed their maximum allowed fly-

The aviation agency acted after wear was found in pump shaft bearings designed to operate for 20,000 hours. The When Endeavour's payload bay is problem appeared when pilots began within 10 feet of Zarya, Colonel Currie receiving low-fuel warnings, or dis-

> Mechanics found pump bearings showing signs of wear after as little as 200 hours. This led to concern that if the pumps continued to run in dry tanks, the with Mr. Rubin on Friday, the day after metal-to-metal contact could throw off sparks and ignite fuel vapor.

The airlines were told to keep at least 3,000 to 7,000 pounds of fuel in the tanks, according to loading procedures.
In the wake of the TWA crash, the fuel ranks and related systems have come

rency also reduced benchmark rates.



UN refugee agency reported an attack on Nov. 14 in which five Sierra Leoneans had their arms amputated and Fina Kamara, 28, and her daughter N'Damba, 6, in Waterloo, Sierra 15 were abducted near the Guinea bor-Leone. They are among hundreds of civilians mutilated by the rebels. As the war grinds on, all refugees

repeatedly asks her mother if it might be at Mexican banks, carry them to the will survive once there.

While Miss Kamara ponders how to sustain her family, her daughter focuses her hopes on a little bump she can feel on Miss Kamara.

the first growth of a new hand. "I explain to her that it will not grow back, but she does not want to believe it." said Miss Kamara.

SHUTTLE: Space Construction Starts

Gene Speeds Onslaught of AIDS

discovered why some people who are in Friday's issue of the journal Science.

infected with the AIDS virus have a As a result, said Dr. Stephen O'Brien,

rapid downhill course, becoming the head of the group that discovered gravely ill and dying within a few the gene's effect. "if they get infected years, while most infected people live for years without major symptoms.

The head of the group that discovered the proup that discovered with HIV, they'll go fast."

Dr. O'Brien is chief of the lab-

virus in about a fifth of people whose susceptibility in deciding if a vaccine

Continued from Page 1 500 miles later, the spaceship's main

engines could still be seen in the distance, twinkling like a new star. 'Great show, Endeavour," mission

control in Houston radioed to the six

The main cargo was the Unity module. the first American-built station part. Small compared to the giants to come during three dozen shuttle flights, the unit is 18 feet (5.4 meters) long, weighs 13 tons (11,790 kilograms) and is to serve as a connecting hub for other American modules.

On Saturday, Lieutenant Colonel Nancy Currie of the U.S. Army, 39, is to have the shuttle's robot arm hoist Unity Endeavour's commander, Colonel from the payload bay and secure it to Roben Cabana of the Marine Corps. 49. Endeavour's docking system, moving the unit from a horizontal to a vertical

Sunday, the astronauts are to rendezvous with the module known as Zarya, or sunrise, which Russia launched into orbit from Kazakhstan on Nov. 20.

Funded by the United States but built in Russia, Zarya, 41 feet long, is a kind of tugboat for the embryonic station, furnishing power and propulsion as well as communication and rendezvous abili-

is reach out with the robot arm and pull covered blown circuit breakers in the the Russian module into position over

The mechanical arm will have never before moved anything so massive. Zarya, while completely weightless, has 21 tons of momentum and, if mishandled, can crush and kill.

As Colonel Currie holds Zarya steady. a veteran of three space flights, is to nudge the shuttle forward to join the two station pieces.

When mated, Zarya and Unity will form the station's first element, 63 feet long and 78 fect wide out to the tips of

Sankoh, a former army corporal who preaches fragments of Maoism, pan-At a decaying beach resort outside Freetown, the Red Cross helps them and Africanism and evangelical Christian-Mr. Sankoh repeatedly purged his movement of moderates and intellec-

other patients adjust to their disabilities. "has motivated a lot of other patients to said Mr. Williams, the nurse.

Before the attack, Mr. Mansari had

Range Curtailed

Continued from Page 1

reduce the payload on flights between

has been aware of the problem for some time and was studying what to do about Several other airlines said that they

If airlines have to schedule refueling

under close scrutiny. Boeing and the aviation agency have either suggested or required a number of changes and additional inspections of

anything "is to take it at the point of a gun," Mr. Cummings said. When army troops overthrew President Ahmad Tejan Kabbah last year, they invited the guerrillas to join them in a junta. The rebels, many of whom appeared never to have seen a city before, poured into Freetown for a nine-month joy ride in power, looting the capital in what many guerrillas called "Operation Pay Yourself." But Sierra Leoneans resisted the junta, refusing to work, and celebrated its overthrow by Nigerian troops. Soon after, the rebels launched their terror campaign. A prominent rebel commander, Sam Bockarie, "told me that 'you didn't want us - now you'll have to pay, "said Paul Kamara, chief editor of pay, ''' said Paul Karnara, ciner canco of For Di People, a prominent independent newspaper in Freetown.

the healing stump of her left arm. She

LAFONTAINE: Talks in Washington

Continued from Page 1

The Group of Seven comprises the day United States, Japan, Germany, Britain, France, Italy and Canada. Of those, Germany, France and Italy are set to take part in the single currency.

any change would have to be agreed Mr. Lafontaine said there had been no discussion of interest rates in his meeting

Washington has indicated its resis-

coordinated rate cuts across Europe. For months, the Clinton administration had been urging Europe to do more to propel global growth. On Thursday, the central banks of Germany and France cut the rates at which they do most of their lending to banks to 3 percent from 3.30 percent. Minutes later, the other 11 countries participating in the single cur-

Mr. Lafontaine also was scheduled to meet with Mr. Camdessus, the IMF man-

aging director, and the president of the World Bank, James Wolfensohn, on Fri-Also on Friday, Hans Tietmeyer, the president of the Bundesbank, said that

certainties posed by global developtance to such proposals, insisting that ments were beginning to slow growth in industrialized economies. "In recent weeks the financial markets have at least calmed down a little," Mr. Tiermeyer said in the text of a speech to be delivered at a conference in Luxembourg. The world financial crisis, which many

U.S. and European economies remained

robust. But he said new risks and un-

at the moment." Referring to the round of coordinated interest rate cuts, Mr. Tietmeyer said the move was a response to both the monetary situation and overall economic

people predicted, looks unlikely to occur

He also reiterated that Europe had largely managed to achieve price sta-

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A Prolongiaces &

Law-enforcement officials familiar with the case said their principal challenge had been to amass enough ev-

Seoul Apologizes for Missile Accident Near DMZ

launched accidentally Friday into busy airspace over the western city of Inction, which is just 25 miles from the heavily guarded to have been no more than about 500 yards border with Communist North Korea.

The missile was destroyed automatically by a built-in safety device seconds after it left the launcher, sending a shower of metal pass daily through the airspace over Inchon, fragments over a nearby residential area,

Three people on the ground were injured.

They suffered minor cuts from they metal fragments of the missile, which exploded in the air. The fragments also damaged about 20 cars, police said.

The explosion started brush fires in nearby hills, but firefighters extinguished them. The Defense Ministry said the Nike-Hercules missile was fired accidentally by an of the missile launch. electronic circuit malfunction during a But the national Yonhap news agency

SEOUL — An anti-aircraft missile was ogized and ordered a thorough checkup of nunched accidentally Friday into busy air the 33-year-old, U.S. built missile system.

One official said the missile was believed above ground when it was destroyed. About 250 passenger and cargo airplanes

that use Seoul's Kimpo International Airport according to aviation authorities

When the planes fly over Inchon, they are at least 4,000 feet above ground and at least five to 10 miles apart. I would not speculate on what could have happened if the missile had not been destroyed so quickly," said Kim Dong-jin, an official at the Seoul District Air Traffic Control Center

Mr. Kim could not say how many commercial planes were over Inchon at the time

were above Inchon around the time.

Inchon is 25 miles from the heavily guarded border with North Korea. North and peace treaty signed at the end of the 1950-53 war" in case a dispute with Washington over Korean War.

The accident near the last Cold War frontier came as North Korea was escalating its war of words with the United States. A Foreign Ministry spokesman from North Korea, in a statement carried by the official Korean Central News Agency, on Friday called the Korean Peninsula "the worst hot

spot in the world." The presence of U.S. troops in Asia was an indicator of American designs for military domination and North Korea would fight back "mercilessly" if necessary, he said.

reported that at least four commercial planes, Friday that more than 100,000 North Korean including a Singapore Air passenger jet, soldiers, workers and students demonstrated Friday, vowing an "all-out" war against the United States. In the past three days, North Korea's news media have carried statements South Korea are technically at war, with no claiming the country was "on full alert for nuclear inspections in the North intensifies.

The United States and North Korea resumed talks Friday about inspections of an underground North Korean site suspected of

being used to produce nuclear weapons. Washington demands unconditional inspections of the North's project. But North Korea asked Washington to pay \$300 mil-

lion for the right to inspect the site.

The United States says the reluctance to allow inspectors breaks a 1994 framework deal with Washington to freeze its nuclear program in return for two modern nuclear Official North Korean reports also said reactors worth \$4.6 billion. (AFP, Reuters)

Washington Post Service

NEW DELHI - Members of India's Chris-

Church leaders said Christians, who make up

The clergy attributed the rising tensions to

The Roman Catholic archbishop of New

BRIEFLY

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A Manila Fire Chief Loses Job

MANILA - A local fire chief lost his job Friday after a blaze in his slum district destroyed an orphanage, killing at least 25 children and five adults.

Several babies were among those who died in the predawn fire Thursday at the orphanage, built 85 years ago and run by a women's organization in Manila's Paco district.

No reason was given for the action against the fire chief, Romeo Almero, but media reports said his firefighters had arrived more than an hour after witnesses reported the first

China Prosecutes E-Mail Offense

SHANGHAI - Determined to extend its crackdown on dissent to cyberspace, China put a computer entrepreneur on trial Priday for giving e-mail addresses to a pro-democracy Internet magazine.

Shanghai's No. 1 Intermediate People's Court held a closed-door trial for Lin Hai on charges of subversion for giving addresses of 30,000 Chinese computer users to "VIP Reference," a journal published by Chinese dissidents in the United States.

"I'm afraid it doesn't look good for Lin Hai," his lawyer, Wang Wenjiang, said in a telephone interview after the fourhour trial. "I think he's going to be found guilty."

Suharto Says He Saved His Money

JAKARTA — Indonesia's disgraced former president Suharto, under threat of house arrest, has defended himself against charges of corruptly amassing a huge personal fortune with a simple answer. He is a good saver and landlord.

In a rare interview, Mr. Suharto told a Jakarta magazine run by a charity he owned until last week that \$3 million found in his local bank accounts was from his presidential earnings and

rent earned from two houses. Dharmais magazine quoted him as saying: "That money, I collected and deposited in the banks, and every month it increased until it reached this amount of about 22 billion rupiah," about \$3 million.

Anwar Lawyer Accuses Witness

KUALA LUMPUR - A lawyer for Malaysia's former deputy prime minister accused a key witness Friday of "lying brazenly" in accusing his client of sodomy during his trial on

charges of sexual misconduct and corruption.

The witness has testified that Anwar Ibrahim repeatedly sodomized him. However, he wavered during cross-examination Friday, prompting the defense lawyer's accusations that his story was inconsistent and contradictory.

Mr. Anwar has denied any wrongdoing, calling the charges part of a conspiracy to rain his political career.

Taipei Mayoral Race a Standoff

TAIPEI — The mayoral election being fought here between two rising political stars has drawn the attention of Beijing and Washington, where officials worry that the result could upset Taiwan's precarious standoff with mainland China.

In a dead-even race, re-election of the incumbent Chen Shui-bian, 47, on Saturday could presage a national victory in coming years for his pro-independence party, many here believe, which would mean serious new tensions across the Taiwan Strait.

Victory by the challenger, Ma Ying-jeou, 48, on the other hand, could be the salvation of the long-ruling Nationalist Party. The results are expected to influence the country's presidential election 15 months from now in March 2000.

Buddhist Temple Tug-of-War

Monk Factions Vie to Control Korea's Biggest Sect

By Don Kirk

International Herald Tribuni SEOUL - Inside a basement tearoom sqe cluded from the wreckage of nights of mayl hem outside Korea's leading Buddhist e temple, Mu Hyu boasted Friday of his ability e to survive against the "gangsters" he said

repersonal profit and power. hours without a break," said Mr. Mn. in: of handous, and many joined the order. between sips of three types of tea. "I can go without food and water for a week."

Mr. Mu, who leads a temple near the south- be celibrate. eastern port city of Pusan, may need all his strength to help defend the 1,000-year-old Chogye Temple and the headquarters of the 6 Chogyé Order, Korea's largest Buddhist sect,

-, next door. Opposing Mr. Min and about 200 other monks and their followers in the barricaded headquarters are about 500 other monks and lay people who contend it is they who are in charge

in of the order and its 8 million adherents. The rivals outside the headquarters say will » rally Sunday to prove their point. If the rally and the expected demonstration in front of the Reform. "I went to the temple the other day ne temple in central Seoul is similar to the one is last Sunday, zealots on both sides will be tossing firebombs along with sticks and rocks look like macho heavy-set guys. in a battle only partly controlled by several 11 thousand policemen.

Korean Buddhists have been quarreling, and periodically fighting, with each other for de-cades, although they claim to be against vi-olence. The conflict has nothing to do with is theology but reflects gangster influences and competition for the riches that come with conrol over the religion's biggest order in Korea.

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corruption. The reformists, inside the headquarters adjacent to the main temple in Seoul, say their rivals are dominated by gang-sters out to protect their boss, who raises millions from donations. Across the street, at their

beadquarters, the rivals say the same thing. Gangsters have been influential among Korean Buddhists since the period after Japwere trying to regain control of the order for anese rule, when Buddhism was rejuvenated. Then, during and after the Korean War, gang-"I can sit cross-legged and meditate for 24 sters and differs gravitated to temples in search

The monks also accuse one another of violating vows of chastity; all are supposed to

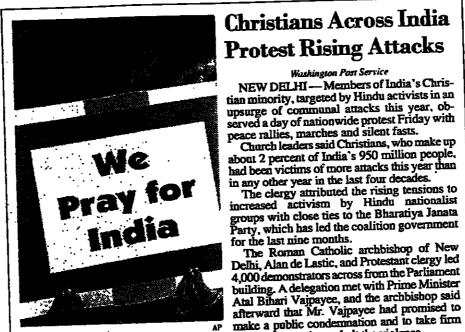
In a capital inured to periodic demonstra-tions by students and workers, which are often suppressed with tear gas and arrests, the outbreak of nonstop open warfare between monks in the same powerful religious order

brings chagrin and disbelief.

"I'm disgusted," said Lim Jin Suk, a
Buddhist housewife who sometimes worships at the Chogye Temple, now festooned with signs urging support for the monks who seized it on Nov. 11 in the name of an organization they call the Committee for Purification and with my husband, and people were bringing metal sticks into the hall," she said. "They all

outside did the same thing and took over the order, Song Wolju, for a third term in viorder," he said. "It's a kind of karma. Now olation of the Chogye constitution. the people they threw out have taken over the

Monks on both sides accuse their rivals of pursuit of wealth for Buddhist leaders, but



A Christian protesting in New Delhi. government action to halt the violence.

they accuse the other side of harboring all the

gangsters.
"There is a long history behind this conflict," Mr. Mu said. "There has been very deep-rooted corruption so far. This conflict is an inevitable result.'

The Committee for Purification and Re-Cho Won Hee, who runs a local Buddhist form, he said, had no choice but to seize the Web site, said money is the reason for the Chogye Temple and headquarters when its conflict. Four years ago those people on the foes insisted on nominating the leader of the

olation of the Chogye constitution.

Mr. Song pulled out of the race eight days later, but the reformists now say his allies are Monks and lay people on both sides readily still too corrupt and too heavily dominated by acknowledge the influence of gangsters in the gangsters to permit them to return.

"The gangsters set fire here," Mr. Mu said. are all gangsters. They are not monks."

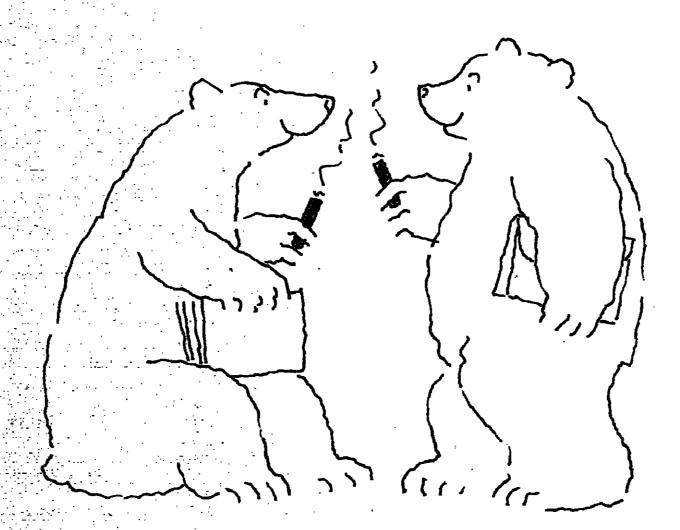
They destroyed many things. They brought in 10 gas tanks waiting for them to explode. We think they were following the example of

radical students. Down an alley leading from the temple to the street, in an office building on the other side of the rows of policeman, members of the ousted Constitution Safeguards Committee

say the same things about the reformists.
"They tell lies," said the Constitution
Safeguards' social affairs chief, Hong Min Suk, repeating the sentence in response to every allegation. "We removed all the gangster monks when we took power in 1994," he

UR COMMON STRENGTHS WILL »BEAR« NO COMPARISON!

FIND OUT MORE ON DECEMBER 18, 1998.



PAC:

Europe in Action

The world's economic situation remains delicate, but until now European central banks had refused to join in international efforts to lower interest rates. Thus it is salutary that the Bundesbank and other major central banks announced rate cuts on Thursday. But the fact that Hans Tiermayer, head of the Bundesbank, finally yielded to the pressure to cut rates is also an indication that the economic outlook in

Europe is weakening.
Europe and the United States have been the bastions of strength in a world economy plagued by recessions in Asia and signs of downturns in Latin America. The question for the major Western economies is how they can continue to prosper while the rest of the world suffers.

In the United States, consumers remain confident and this Christmas looks like a strong one for many retailers, notwithstanding poor sales at Sears. But the industrial sector continues to suffer, as Boeing workers

facing layoffs can attest, and some measures of industrial activity indicate a risk of recession.

In this unsettled time, the World Bank's annual report on global economic prospects, released on Wednesday, contained reasonably encouraging forecasts. While it said global growth this year was expected to be only half the level of 1997, it forecast a mild recovery in 1999 as East Asian

But the World Bank warned that a global recession next year was a possibility if things go wrong. Insuring against that possibility, through reforms in many countries and through pro-growth policies, should be the goal for policymakers. It is likely that the new European Central Bank, which formally takes over monetary policy in the 11 European countries that will adopt a common currency at the end of the month will need to lower interest rates again next year.

-THE NEW YORK TIMES.

Fete the Universal Declaration of Human Rights their own citizens but also to others match the civil, political and human By Stephen S. Rosenfeld

W ASHINGTON — Next Thursday is the 50th anniversary of the Universal Declaration of Human Rights, the sweetest document of the century. It has brought an incalculable sum of comfort, relief and dignity to people under abuse or threat. It has changed the world.

But for an ultimate appreciation of the contribution the declaration has made to the human condition, you must turn to the likes of Ginetta Sagan. The Italian-born California resident speaks authoritatively, from personal experience as well as general knowledge, for the victims of the terror that the dec-

laration would put right. The declaration was written in 1948 under the auspices of Unesco, the UN cultural body then at the peak of its prestige. Its guiding spirit was the French jurist René Cassin. It was he who wrote the majestic and what was in those days the revolutionary assertion, "All people are born free and equal in dignity and rights.'

At a certain point, Ginetta Sagan, a former Italian resistance member who had suffered unimaginably at police hands, found herself at lunch in Paris with René Cassin. Ma petite (my dear), he said, taking her hand, the high val-

Asian states.

nes proclaimed in the Universal Declaration mean nothing without a constituency to bring them into effect.

Ginetta - it is hard to address this langhing, lilting person more formally
— was then still in her 20s. She went on to do a major share of the work of providing that constituency, helping to establish the prisoner support organization Amnesty International and then the Aurora Foundation, which funnels aid to Amnesty-supported prisoners.

Sworn against violence, Ginetta turned to persuasion with a vengeance. Journalists don't much like to do setpiece anniversary articles, but she started working on me several years ago to write about the declaration's coming 50th. You try telling Ginetta you'd like to think about it a bit.

The declaration became the legal and moral basis of a continuing global campaign to protect the millions of people threatened by irresponsible state power and its wicked partner, the absence of responsible state power.

Further, the declaration established approach. the principle, as others have put it, that nations are accountable not only to

outside their borders for the way they treat their people. Accountable because everyone signed, except America's Soviet-bloc adversaries and its Saudi oil friends. Accountable because the declaration expressed the felt truths of the age. And accountable because human rights became a political force, al-

though not always a constant one. The Allies' winning of World War II had generated the fragile wave of internationalism that brought the declaration to life.

The wave broke on the Cold War. which led the United States sometimes to invoke the declaration, against the Soviets, and sometimes to play it down to avoid being embarrassed by the flawed human rights record of some of the countries America chose as Cold

Now we are in a post-Soviet period. Some familiar objections to the reach of the Universal Declaration are still to be heard. Some say that a concern for rights is interventionist and that different cultures and circumstances justify a selective rather than universal

Communist governments claim that economic and social programs morally

rights at the core of the declaration. In fact, it is the supposedly softheaded Eleanor Roosevelt who is credited with drafting the language that de-fanged this claim. Economic and social programs, rather than being treated as a right that governments were obligated to respect, instead were made to rely on the organization and resources" of each separate state.

The common approach of the United States and many other democratic governments is that rights must be blended with commerce and strategy in a comprehensive policy. Just how is the continning question.
On this 50th anniversary, lawyers

and diplomats from all over are sifting through ways to improve the text of the Universal Declaration — by extending coverage to women and refugees, for instance - and to strengthen enforcement. They aim to reinforce what Louis Henkin calls "the universal ideology at the eve of the new century."

Certainly it represents a universal standard by which all countries are judged. It will remain so as long as survivors, witnesses and believers like Ginetta Sagan summon us to duty. The Washington Post.

Afghan Massacre

Even by Afghan practice, the killings in Mazar-e-Sharif last August were extreme. Some 2,000 or 3,000 prisoners captured from the Taleban. the radical Islamic student movement that controls most of Afghanistan, had been murdered in the city two years ago. The killers then came from the city's ethnic Uzbeks. Bent on revenge, Taleban fighters swept back into the city in August. But they apparently did not go after the Uzbeks. According to The Washington Post's Ken Cooper, they and some Pakistani allies went

formally executed by firing squads acting, so it was said, under Islamic law. The now four-year-old Taleban was tentatively welcomed as the harsh but firm force that Afghanistan needed to escape the internal feuds that erupted after a 10-year guerrilla war against Soviet aggressors. But the movement turned out to start as much borror as it halted. Its feudal treatment of women

after the Hazara ethnic minority,

Shiites to the Taleban's Sunnis. Some

2,000 to 5,000 civilians were re-

portedly shot, butchered, smothered or

tion from modern ways. Its philosophy was extreme not only for many of Afghanistan's own Islamic citizens but even for neighboring revolutionary Iran, which recently came near war with Afghanistan. Noting the massacres in Mazar-e-Sharif, knowledgeable observers fear that the country

may be on the edge of genocide. Once the American-supported Afghan guerrillas forced out the Soviet army, the larger share of world interest in Afghanistan faded. Its continuing struggles were ignored, except by countries such as Saudi Arabia and Pakistan, cautious supporters of the Taleban for traditional regional reasons. Thus has it failen to Iran — for

the United States an awkward choice --- to lead appeals for an international regime of restraint. As the latest reports make plain, good results are slow in coming. But if the United States and others are to do more than deplore the latest atrocities, then there is no sub-stitute for working quietly with the countries of the region to back Af-ghanistan off a terrible road.

-THE WASHINGTON POST.

Washington's New Vision for NATO Could Be Divisive

NEW YORK — NATO will be 50 years old in April, and the United States has extremely ambitious plans for it. NATO is the central element in a new American conception of global policy. What Washing-ton calls a "new strategic concept" would make the alliance a major actor in world

affairs, under U.S. leadership. The Holbrooke-Milosevic agreement on Kosovo in October was accurately described by Richard Holbrooke as an unprecedented event. NATO had intervened in an internal conflict inside a sovereign non-NATO state, not to defend its own members but to force that other state to halt repression of a rebellious ethnic minority.

NATO did this essentially on its own authority, which for practical purposes means on U.S. initiative. It did so even though two members of the UN Security Council, Russia and China, had said they would veto a resolution authorizing a NATO attack. NATO did not

ask for UN authorization. Washington sees this as a precedent for a new NATO that would deal with a variety of existing and future problems ingoes beyond Balkan unrest to proliferation of weapons of mass destruction, as in Iraq. Iran and South Asia, other troublemaking by "rogue troublemaking by "rogue states," international terrorism and even the drug trade.

This new vision of NATO sees it expanding throughout Eastern and Baltic Europe, pos-sibly taking in Russia itself, if that country stabilizes. Zbigniew Brzezinski, in his

latest book ("The Grand Chessboard"), sees the alliance as the instrument of an "integrated, comprehensive and long-term geostrategy for all of Eurasia," in which NATO would eventually reach Asia, where another American-led alliance would

By William Pfaff

link Pacific and Southeast Panama being given up as the United States relinquishes con-In the last few days Washtrol of the Panama Canal. ington has announced plans for new relations with Southeast All of this adds up to an ex-traordinarily ambitious new

Asia by which the United States global program.
The Clinton administration is would acquire access to milrevamping NATO and redefinitary bases in Asian countries in exchange for financial help in ing its mission in order to make buying U.S. arms. The Pentait an instrument of American gon's East Asian Strategy Reworld engagement as peaceport, just issued, describes this keeper, peacemaker and policenew basing program as offering the United States "a credible man. The United Nations figures in this, an official says, "as power projection capability in the region and beyond." far as possible," but the new definition of NATO is meant to The Pentagon has also just made known that it is looking include the possibility of action

without UN mandate. This program has much support in the U.S. foreign policy community but has never been

seriously debated in Congress or across the country. Since NATO members and partners in Europe are expected to assume active if subordinate roles, as are allies in the Middle East. Asia and Latin America, the matter is not just an American issue but an alliance problem.

It amounts to a globalization of U.S. strategy in parallel with economic globalization. It gratifies certain grandiose American ideas of U.S.-led international integration that have been around since the time of Theodore Roosevelt and Woodrow Wilson.

Whether the American public wants to pay and sacrifice for such a foreign policy is an open question, which is why the program is at risk domestically.

Equally important is what the allies will make of it. Britain's former Conservative defense minister, Michael Portillo, re-cently made a resounding and on those European allies who want a separate European de fense and security identity, and "whose wider project," as he said, "is to establish a European

power bloc that offers the world

an alternative economic and foreign policy to America's."
Prime Minister Tony Blair is one of those who have been talking about strengthened European defense cooperation. But there are many across Europe who agree with Mr. Portillo.

It is a question which could split NATO, but also Europe. International Herald Tribune. Las Angeles Times Syndicate.

expressed its religious-based aliena-**Cost of Intelligence**

George Tenet, the CIA director, advanced openness in government earlier this year by voluntarily disclosing how much money Washington spends on spying. It would be a pity if he now pulled the blanket of secrecy back over the intelligence budget. Unfortunately, ing is climbing.

Mr. Tenet has done much to over-

come the reflexive drive to classify in the espionage business. He has committed more manpower and money to unsealing intelligence archives than his predecessors did. In March he revealed that the 1998 budget for intelligence activities was \$26.7 billion. That figure covers 13 agencies, including the two most expensive — the National Security Agency, which monitors international communications, and the National Reconnaissance Office, which manages spy satellites. The CIA itself accounts for roughly \$3 billion. Knowing the scale of intelligence spending, which this year is about one-tenth of the defense budget, can help Americans judge the value of their spy services.

Although Mr. Tenet had disclosed the 1997 total under pressure from a Freedom of Information Act lawsuit. his willingness to volunteer the 1998

if the Exxon-Mobil merger goes through, it will doubtless lead to more

industry marriages. It is difficult to see

how companies like Chevron and At-

lantic Richfield would be able to re-

main independent and competitive in

the wake of the economies of scale

achieved by Exxon-Mobil, which

would able to undertake giant new oil and gas projects around the world that would preempt smaller companies

Today, no single American oil com-

pany has more than about 7 or 8 percent

of the national gasoline market. Mi-

crosoft totally dominates the American

software market, and although federal

from even thinking about them.

figure was an important symbolic step. While he declined to break down the budget by agency or category, he effectively demolished the hoary argument that official disclosure of the ag-gregate budget would endanger security by giving enemies some sense devoting to spying. Any basis for that contention expired when the Soviet Union collapsed.

Mr. Tenet should not retreat now merely because the budget is increasing in 1999. News accounts have placed the increase at about \$1.8 billion, bringing the total close to \$29 billion, comparable to Cold War-era budgets. Since well over two-thirds of the Cold War budget went into collecting intelligence about the Soviet Union, it is hard to understand why so much money is needed today, even to combat terrorism, develop new satellites and hire new staff.

The threats facing America, whether Saddam Hussein, Osama bin Laden or rogue nations like North Korea, will not be any greater if the intelligence budget is officially disclosed. There are legitimate espionage secrets that require protection. The size of the intelligence budget is not one of them.

— THE NEW YORK TIMES.

Quebec in Canada, and an Unusual Debate

By E. J. Dionne Jr.

WASHINGTON — Canadians are engaged in one of the most remarkable experiments ever undertaken by a democracy. They are carrying on a actly what Quebeckers seem to nearly three-decade-old debate feel toward their status within on whether their country should Canada.

Quebec's voters have made sure that the issue will remain unresolved for a while longer. In their elections this past Monday, they gave a clear majority of legislative seats to the separatist Parti Québécois, and also a narrow plurality of the popular vote to the anti-separatist Liberal Party.

for new "forward operating lo-

cations" in Central and South

America to replace the bases in

By winning a majority of seats (because much of the Liberal vote was concentrated in predominantly English-speaking districts), the party of sep-aratist Premier Lucien Bouchard will continue to run Ouebec's government. But the results provided no mandate for the separation that he seeks. If the voters sent any mes-

sage, it was on behalf of am- also touched a psychological biguity and ambivalence, ex-

ambiguity brilliantly. He was, in theory, for yet another referendum on whether Quebec should separate from Canada it would be the third such vote. But he would call a referendum only if he sensed "winning conditions." In other words, you could vote for him if you wanted a referendum, but you didn't have to worry much if you didn't.

His campaign slogan "J'ai confiance" ("I have confidence") was equally brilliant in its ambiguity. It could mean simple confidence in his government, which, despite unpopular health care cuts (he apologized for them), stands well with Quebec's voters. But it chord among French-speaking

Mr. Bouchard on Canada's shrewdest politicians, read what Quebeckers said in the voting just right. "They don't want a referendum at present." he said. "We must first deliver the goods as a good

For federalists - those who want Quebec to stay in Canada - the results were both a disappointment and a relief. Under enormous pressure, Jean Charest stepped down as the national leader of the Conservative Party to take the helm of the Quebec Liberals. (On keeping Quebec in Canada, the Conservatives and Liberals agree.) He has a reputation for political skillfulness just short of Mr. Bouchard's. It was thought that if anyone could stem the separatist tide, it was Mr. Charest.

But he was out-campaigned by Mr. Bouchard. He fell behind when he proposed to cut back Quebec's government. Quebeckers, even business people, like active government

Still, when election day came, Mr. Charest did far better than the polls said he would.

All my forebears came from Quebec. French is my first language, and I spent some child-hood summers there. So, I suspect, my attitudes on these matters are close to those of many Quebeckers.

Quebec is culturally distinct from the rest of Canada and should be recognized as such. It would be a good country if it chose to become one. But it is if that is what they really want. also true that Canada is a fine

and decent country, and its breakup would be a great loss.
Understand that ambiguity and you understand why Que-Quebeckers that they have con-fidence in themselves to go it anation yet keep pulling away from the final act.

of of Cana the fight. "It's time to pull away from the obsession,' Catherine Ford of the Calgary Herald, in a column reprinted in the National Post.

Worse for Canada, every new discussion about granting Quebec more powers distorts the national debate. Whatever powers Quebec wants, some of the other provincial governments want, too.

New negotiations are about to begin on giving the provinces more power over social serving programs. Devolution in the matters may or may not be a good idea, but this sort of devolution is not what motivates separatist sentiment in Ouebec. It is rooted in culture, language and distinctiveness, not in funding formulas.

Canada and Quebec need to settle the fundamental question: Is the rest of Canada willing to give formal recognition to Quebec's distinctiveness within the federation? And is Quebec willing to settle for that?

Or are Canadians outside of Quebec willing to live with the same ambiguity that Quebeckers seem to cherish, and to figure out how to avoid pressing this question to the limits

Perhaps Canada is destined to be the first democracy in the world whose national identity will be in a state of permanent but peaceful negotiation. There are many worse fates. Canadians and Quebeckers have to decide The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

Other Comment regulators are prosecuting it for prac-**Expect More Oil Mergers** By Charles Krauthammer

tices that the government says are anti-

ASHINGTON — The help by working pro bono, or, pursuit of billions in at most, on salary. competitive, no one is seriously talking about breaking up the company. Coca-Cola and Pepsi control about 65 per-cent of the soft drink market, and no one has batted an eye at \$1-a-can sodas, when the cost of manufacture is a fraction of that. (It galls the Organization of Petroleum Exporting Countries, by the way, that a barrel of Coke sells for a huge multiple of the price of a barrel of crude oil, a finite natural resource.) So don't be surprised if the regulatory hurdles fall away, one by one. John D. Rockefeller Sr. will have the last laugh William L. Rundol, commenting in The New York Times.

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Holocaust and Money Don't Mix

But contingend

War II past.

Class-action suits? Fishing for

aged Jews from whom they

can make a killing? The law-

yers crisscross Europe in

search of ever richer settle-

ments to extract from any in-

stitution — and oh, there are

many - with a tainted World

Holocaust has come to? A shakedown of Swiss banks,

Austrian industry, German

automakers that recalls the

Is this what bonoring the

Holocaust guilt money has gone from the unseemly to the disgraceful. What began as an attempt to locate confiscated Swiss bank accounts of individual Holocaust victims has turned into a treasure hunt for hungry tort lawyers and major Jewish organizations. It all started with the \$1.25 billion that the Swiss banks paid in settlement of Holocaust claims. That opened the floodgates, spurring personal injury lawyers and class action specialists to seek bounties from banks (unredeemed accounts), insurers (unpaid death benefits) and manufacturers (uncompensated forced

labor) throughout Europe. There are few survivors left who will benefit from this money transfer. It is late, very late for this kind of restitution. The war ended 53 years ago.

instead, what is happening is that the lawyers and community bureaucrats will reap the power and the payoff that comes from collecting in the name of those whose names are forever lost. They risk causing, to borrow a phrase from Abe Foxman of the Anti-Defamation League, "an industry to be made on the memory of victims.

Victims who had their sav-

ings or property or art stolen

restitution even at this late

date. Jewish organizations

worst of racial hustling and class action opportunism in the United States? Soon no doubt to be added to the list: Ford and General Motors. What did they know and what did they do when

their plants were taken over by the Nazis before and during World War II? This is an important ques-tion. But it is work for schol-

ars, not shysters. The Holocaust commands the preservation of memory. It is not an instrument for the generation of money. The dead are honored by learning the truth and never letting the world forget it, not by entering into rancorous negotiations with corporate leaders who represent a generation entirely

innocent of these crimes. Looting, moreover, was the should be allowed to seek least of the crimes of the Holocaust Nor is it unique. The Holocaust itself, the delibershould help by providing law-yers. And the lawyers should of 6 million souls, is a singular

crime. Wartime looting is not. It is commonplace. At the end of this bloodiest

centuries, to reduce the Holocaust to looting is literally to debase the sacred. Israel's acceptance 45 years ago of German reparations

was problematic, but at least at that time one could make an argument from necessity: A people collectively made destitute and desperate by German depredations was entitled to German reparations. But today? The only thing

certain to come out of this grotesque scramble for money is a revival of Shylockian stereotypes. This is particularly unfortunate, not just because in truth there is no people more given to philanthropy than the Jews, but also because this generation of Europeans has grown up more free of anti-Semitic poison than any in European history.

It is one thing to risk reviving dormant anti-Jewish feeling in defense, say, of a vital, living cause like Israel, heir to the civilization destroyed by the Nazis. But for this? For blood money from the Holocaust?

Should we find out and proclaim the truth about Holo-caust looting? Of course. And truth about the forced labor. And truth about the industrialists who abetted the Nazi machine. And truth about the peoples of Europe who were

But money? It should be beneath the dignity of the Jewish people to accept it. The Washington Post.

1898: Tennyson Plot

PARIS - Mrs. Walker, a lady of eighty-eight, was in the service of Mr. Selwood when Alfred Tennyson paid court to his daughter, but the suit at first was not approved by the father. Accordingly, Miss Selwood took Mrs. Walker (then Ms. Dixon) into her confidence, and strategy had to be resorted to. Miss Dixon took missives sent by the unfortunate lover to his lady love, and hid them under her bed, from which hiding place they were taken by the one to whom they were sent Subsequently of course, Tennyson married the young lady.

1923: Pound's Music

PARIS - Paris will be right in expecting the unexpected again from Mr. Ezra Pound when he draws out a new surprise from his bundle of writings and faces

المعالم الأمل

sical composer. As a matter of fact the poet has been privy to the science of sounds for years. and has been the author of a mediaeval opera based on a theory of harmony which is described as being the way harmony might have developed if it had not developed the way it

1948: Genocide Crime PARIS - After months of ar-

gument, opposition and amendment a convention on genocide won approval in the Assembly Legal Committee. It would treat genocide as an international crime, to be tried in nation courts, or by an internation tribunal when one is established. The convention is open for signature through 1949 and will come into force after twenty nations have signed. It can be denounced by any signatory and the public in the role of a malapses if the number of signa-

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roadblocks.

Constance Johnson TOLIN CHANNER'S sexy and Caribbeanflavored novel plays best as a celebration of modern music. The book borrows its title from a Bob Marley song and is littered with musical refto Muddy Waters. Its protagonist, the dreadlock-wearing, hunky and poetry-spouting A.J. Heath, calls to mind another song, "Fire," written by Bruce Springsteen and made popular by the Pointer

The Springsteen tune pops up because Heath is also known as Fire. You get a hint of where things are going is an Ivy-league-educated yet when Fire's love interest, Sylvia, says to her previous boyfriend, "I have this attraction to fire that I can't explain.... Sometimes a little being a snob, may also be warmth is worth a burn or

And Fire generates plenty first meeting on a street corner in New York City's trendy SoHo to a series of accidental encounters fraught with sexual innuendo and tension. Sylvia and Fire eventually come together to set off sional men who are educated their own brand of sparks, but and successful. Poor Sylvia,

As the novel opens, Fire is months but is not in love with Sylvia is also ready for something but doesn't know what She thinks she already has found companionship, if not love, with a class-conscious Wall Street wannabe mogul erences, from Charlie Parker named Lewis. But he's all wrong for Sylvia. She knows

it, and so does everyone else. The author wants to paint Fire as stirring something in Sylvia that she just can't explain. But it's no mystery. It's lust. Both Sylvia and Fire are Jamaican by birth, but Sylvia has lost her soul after having been transplanted to New York City as a young girl. She unfulfilled black urban professional stuck in a job, making \$90,000 a year as a magazine editor. Lewis, aside from sexually confused (he once shared a tryst with Sylvia's male boss). You know Lewis of heat with Sylvia, from their is a bad guy when he has the temerity to admit that if Sylvia were merely a secre-tary or editorial assistant she would be an unsuitable mate. Sylvia is no better, always

insisting on dating profes-

not without the requisite if only she would let Fire

The book is set in Jamaica. ready for love. He knows this London and New York. Yet, because he has been dream- for all their traveling these ing about molasses for characters prove that the world is indeed a very small the woman lying beside him. place. They can't seem to get out of one another's beds or business. After a while you wonder what Fire sees in Sylvia or any of the other characters

> Fire is the only redeemable character in the book, and he is simply too good to be true. Yale-educated and uncorrupted by success, he has homes in London and Jamaica and is deeply in touch with his inner self. He turned down a Rhodes scholarship because Cecil Rhodes was a racist. He is a talented writer but writes under a pseudonym, which is why Sylvia doesn't know who he is and resists him even after she falls in love with

Channer is a clever and talented writer, yet except for the characters' Jamaican origins everything in the novel feels familiar. Unlike much of the music it pays homage to, the characters are not intriguing enough or compelling enough to make this trip worth taking.

Constance Johnson, journalist based in New York. wrote this for The Washington

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trast, and in France in par-ticular, realism and idealism were then uncompromisingly opposed in a war between the secular republic and the Roman Catholic Church. Such a conflict did not break out in England, and realism there had much to do with a puritan

realism achieved an unlikely

fusion with idealism, produ-

cing a clearly indigenous art

On the Continent, by con-

form in the British Isles.

chael Andrews.

English art of this century

By Michael Gibson

International Herald Tribune

regard for truth. Idealism thus ARIS --- What is the School of London, drifted toward an excess of and does it really exsentimentality that cast a decorative veil over even the more

An exhibition at the Maillol brutal aspects of the age. Museum (Dina Vierny Foundation) suggests that it does, as one suspects. 20th-century an attitude if not as a "school" art has been inclined to serve in the sense that applies to the truth with the sort of uncompromising brutality ap-Impressionism or Futurism. The show includes a numparent, for instance, in some ber of works by the two domof Freud's nudes.

inant figures of British paint-Realism seems to have being, Francis Bacon (who come the bedrock of the Engstands out increasingly as the lish tradition — which does, major artist of the last halfnonetheless, admit some century) and Lucian Freud, striking exceptions - and it along with those of 10 other must no doubt be accepted as artists, including Frank Auerbach, R.B. Kitaj, Raymond All these artists are con-

sequently inclined to be fig-Mason, Paula Rego and Miurative, and sometimes ag-gressively so. Bacon is of course a special case. He was appears to have developed according to a logic that can dealt a fraumatizing hand be traced back to the early early in life and his merit lies 19th century. At that point, under the influence of various in having given his unique existential torment a universcholarly and moral author-ities, including John Ruskin, sal and aesthetically convincing expression.

Both Leon Kossoff and

Auerbach are paradoxical artists of the expressionist persuasion and their brutal brushwork and (in Kossoff's case) murky colors somehow manage to express a surprisingly sensitive approach to their subjects.

In contrast to all of the above, Andrews (born 1928) is not as well known on the Continent, but his views of nature in particular, are extremely original and display a acute observer of human quasi-Oriental delicacy in

The exhibition also in- turing a telling expression. cludes a number of younger artists not seen so far in Paris: Bill Jacklin, Stephen Conroy, Celia Paul and Tony Bevan, all born in the 1940s, '50s and Maillol, 61 Rue de Grenelle, '60s. It is curated by Solange to Jan. 20. "Felicien Rops," de Turenne, Michael Peppiatt Musee-galerie de la Seita, 12 and Jill Lloyd. Musee-galerie de la Seita, 12 Rue Surcouf, to Dec. 13.

Finally, the Maillol Muspoke a realist idiom but in due seum itself holds a number of course, and particularly in the rewarding permanent fea-Victorian age, it gradually tures, including a large selection of sculptures by Maillol (Dina Vierny, who created the foundation, was his model) and a number of his As a reaction against this, canvases that convincingly demonstrate he was also a splendidly gifted painter.

Is There Really a 'School of London'?

The little museum run by the French tobacco monopoly, Seita, has had consis-tently good exhibitions over the years, and the current one devoted to the drawings of Felicien Rops (1833-1898) has the merit of showing what incomparable draftsman the man was.

Rops's subject matter was mainly sex, death and the devil. More often than not it was polemically provocative, Saint Anthony" in which the unfortunate hermit is shown tearing his hair as he kneels before the cross. The cause of his dismay is a leering, clownish devil who has just cast Christ down from his cross and replaced him with a

Rops was a sharp anti-clerical polemicist, but his broader target was the rampant puritanism of an age that often seemed to subscribe to the views of Saint Jerome, who 'woman' as an instrusaw ' ment of the Devil.

A few of these works also show him to have been an nature, and a marvelously deft their representation of space. artist when it came to cap-

> "The School of London -From Bacon to Bevan," Fondation Dina Vierny, Musee

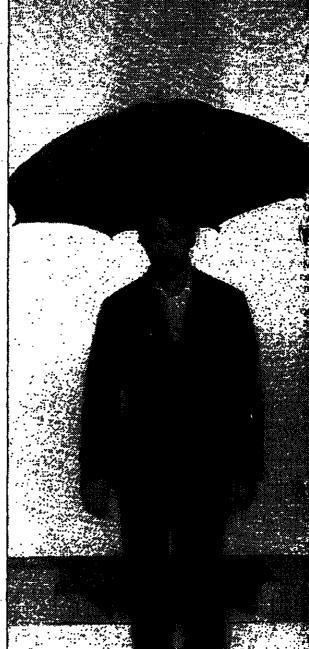
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Theater Of Death

A Secret World Amid Nazi Horror

By Alan Riding New York Times Service

ONDON - The Royal Academy of Arts can hardly claim to have discovered a new artist with its current show, Life? or Theater? The Work of Charlotte Salomon." Salomon's paintings were first exhibited in Amsterdam in 61, and they have since traveled to diermany, France, Japan, Israel and the United States. The Jewish Historical Museum in Amsterdam, which owns all her surviving works, has 60 of her paintings on permanent display.

Yet if the Berlin-born Jewish artist is

not better known, it may be because the tragic nature of her death (she was 26 when she was deported from France and killed at Auschwitz) had the effect of turning her work into what Norman Rosenthal, exhibitions secretary at the Royal Academy, calls 'special circumstance" art: It was thought significant in the context of the Holocaust, but not for

The Royal Academy's show, which runs through Jan. 17, has now set out to change this perception, hoping to re-discover her work for a larger public. "I see it as part of the story of art,

ther than outsider art," said Rosenthal, panself of German-Jewish descent. "I see it as a work of high art, of great culture and great sophistication and complexity and skill. It's an act of great artistic will at the highest level."

is the vast autobiographical series that she entitled "Life? or Theater?" and plescribed as a "dreifarben singspiel," or a three-colored play with music. From an original 1,300 gouaches, all on identically sized paper of 10 inches by 13 inches, she selected 780 illustrations, most accompanied by texts, to form "a great opera of the mind and eye," as Rosenthal put it. Some 400 of these are

Nazis' rise to power in 1933 convulsed Salomon's life, and the German occupation of France led to her death a decade later. Perhaps inevitably, "Life? or Theater?" has also been compared with the diary of Anne Frank, who recorded the thoughts and feelings while hiding in attic in Nazi-occupied Amsterdam.
Yet Salomon saw herself as more than s. witness to the Nazi nightmare. Indeed, of a wealthy American woman, Otillic Pis as if she felt she could dispel this. texts, which include titles of music like Schubert's "Death and the Maiden" that should accompany the work. She elbes not ignore the escalating Nazi horrors, but her art becomes the key to her

Salomon herself becomes Charlotte up with her daily process of creation, she aged by Moore, to whom it is dedicated.

Explains with disarming simplicity why

By the time she finished it, Moore had blains with disarming simplicity why

By the time she finished it, Moore had years ago as an act of imaginer alter ego embarked on the project: left for the United States, while Moore's would more readily believe it. "And she found herself facing the ques- former lover, Alexander Nagler, had betion of whether to commit suicide or to come Salomon's lover. She gave the colundertake something wildly eccentric."

are given different names in her drama.



Charlotte's obsession with her music teacher is depicted in one drawing.

complexity and skill. It's an act of great middle-class Berlin family. Her mother artistic will at the highest level."

At the center of Salomon's life's work her physician father, Albert Salomon, is the vast autobiographical series that she entitled "Life? or Theater?" and soon became both surrogate mother and

ing in public, although both were able to work among Jews. Their home became a gathering point for Jewish intellectuals, including Alfred Wolfsohn, Paula's music teacher, who was said to be Charon display at the Royal Academy.

It is easy to see why, at first sight, the lotte's first lover. Charlotte was the only work could be termed Holocaust art: The lewish student at a local art college.

N Nov. 9, 1938, Kristallnacht, when Nazi mebs attacked synagogues and Jewish properties across Germany, Albert was briefly detained. After his release, he sent Charlotte to join her maternal grandparents in the south of France, where they were living in a cottage on the estate Moore. He imagined he was saying Charlotte's life; in fact he and Paula fled Germany soon afterward and survived

the war in hiding in the Netherlands. couraged Charlotte to paint and bought And from this came: Life or Theater?" some of her portraits and still-life oils mother but also her aunt and numerous other family members had committed sui-

The remarkable maturity of "Life? or safekeeping with the words, "Take good Theater?" can shake off its tag of "spe-Theater?"—its visual complexity and its care of it, it is my whole life." In Septem-cial circumstance" art.

frequent references to music, philosophy ber 1943, soon after their marriage, Sa-and psychology — reflects Salomon's lomon and Nagler were arrested by the upbringing in an educated and assimilated Gestapo and within weeks were sent to Auschwitz, where both died. After the war, "Life? or Theater" was recovered by Salomon's father and stepmother.

Seen in isolation, many of the paintings stand out as interesting works, some strongly evocative of Chagall. Using just close friend to young Charlotte.

In 1933, after Hitler seized power, red, blue and yellow Salomon captures Albert lost his right to practice as a doctor, the changing mood of the narrative by while Paula was forbidden from perform—darkening and lightening her colors. darkening and lightening her colors. Sometimes her technique is that of a cartoonist, presenting a dozen or more straints. images of the same face as it changes expression to conform to the narrative. Other times, the images set the pace, almost like a storyboard for a movie.

The emotional tone of the gouaches also swings as she goes from recounting her mother's suicide to dwelling on her fascination with Wolfsohn, or rather Amadeus Daberlohn as he is called in the 'singspiel.' Approaching the end, her urgency is such that she abandons images for full pages of multicolored text.

Yet her final sentences suggest she had finally emerged from her own dark tunnel: "And with dream-awakened eyes, she saw all the beauty around her, saw the and make every sacrifice in order to an angel turned into a demon.

create her world anew out of the depths.

This line of ghoulish fantasy was re-In Villefranche-sur-Mer, Moore en- create her world anew out of the depths.

Rosenthal, who organized the show sanity. She controls her life by turning it into a theatrical work of art, even to the point of presenting a cast of characters: er killed herself in May 1940, Charlotte as a Gesamtkunstwerk, a total work of relatives, friends and acquaintances who learned for the first time that not only her art' in the tradition of the ambitious fusion of music, poetry and the visual arts that had been created in Germany in Kann and is referred to in the third person, which enables her to be both frank
and ironic about her feelings. In the
epilogue, when the narrative has caught
erilogue, when the narrative has caught
erilog "When I was putting it up, I thought, if someone had made it 10 years ago or 5 years ago as an act of imagination, I

Now, having given Charlotte Saiomon a place at the Royal Academy, lection of godaches to a French doctor for Rosenthal is hopeful that "Life? or

Designs in Shining Armor

A Mix of the Sculptor's and the Goldsmith's Art

By Souren Melikian

knowledge, a good eye and a considerable talent for display to dream up an exhibition like "Heroic Armor of the Italian Renaissance: Filippo Negroli and His Con-temporaries" at the Metropolitan Museum (until Jan. 17). Indeed, it had never heen done before.

Guts from the museum director, Philippe de Montebello, because in our politically correct world, armor associated with warfare might be frowned on by those who never question the moral credentials of the royal characters and churchmen whose portraits they gaze at. Knowledge from the scholar and curator Stuart Pyhrr, because so many items had anonymous labels until recently.

Not least, it requires a great designer's talent to sustain throughout a sense of pace, devise the right architectural balance and manage a highly effective interplay between a few drawings here, two or three paintings there, one marble relief and lots of armor coming in all sizes. Pyhrr and Michael Batista, the exhibition's designer, pulled it off. This is one of the most beautiful shows ever at the Met.

The minute they walk in, visitors realize that they are looking at art. Not hitherto recognized as such, that art falls halfway between sculpture and the goldsmith's creations - gold inlay can be used, patterns are common. But it barely relates to contemporary statuary. Armor does not represent human form, it covers it. Hence a freedom to stylize, unfettered by academic con-This is the more remark-

able as the armor created in 1550s by Filippo Negroli and his brothers was meant to echo the rediscovery of Antiquity.

The trend had started in the 15th century. Then already, the Italian artist's idea of a helmet "all antiqua" owed less to Ancient Rome than to late medieval and no nose. An ambiguous, subtly dis-turbing effect is thus devised. imagination run amok. In a marble portrait in low relief from the workshop of Andrea del Verrocchio, the helmet of a With astounding versatility, Filippo warrior in armor assumes the form of a switched to unbridled fantasy when conch topped by a dragon spewing and flapping batlike wings. On the man's sea, felt the sun and knew. She had to breastplate, a mask screams at the vanish for a while from the human plane dragon, jammed between two wings like sides, a hooked snout and a ram's horns. have been a master of equal statute to

fined by the 16th-century armorers. In a have wanted to confront the warrior. On design for a helmet done about 1535 to the breastplate, batwings are chiseled, 1540, the lower part simulates a grinning face. A nose that could be of flesh and blood rises from the visor and a very human eye glares with a vicious glint through the oval opening, in a truly Surrealist vision. The twist to the lips is very much in the spirit of some of Filippo Negroli's helmets.

The armorer comes out as a towering Campi's copy of it preserves the image. waits to be discovered in dark corners.

figure of North Italian art. His earliest dated and signed work, a burgonet of faceless head with curly hair, a big flapping car and a band of muslin tied at the about it that must have been enhanced when ostrich feathers were stuck at the back, as shown in an engraved portrait of Francesco Maria della Rovere, Duke of Urbino, with the helmet laid at his feet.

Charles V raved about it, and ordered one for himself that retains the original buffe or lower front part adjusted to the sides. The intricately trimmed beard and the face without eyes and nose combine to give it a Magritte touch with the

addition of Renaissance mastery. Even when Filippo meant to follow Antiquity more closely, his powerful vision left its imprint. A burgonet from 1532 to 1535, based on the Roman mod-

Rubens greatly admired one of Fil-ippo's works, which he acquired, pos-1532, is quietly eerie. It is shaped like a sibly under the impression that it was an ancient Roman piece. This is another batman's burgonet in a more subdued base of the hairdo. There is a foppishness vein, which the painter reproduced twice. It appears in the Brussels "Bearing of the Cross" as the helmet of a Roman soldier and recurs in the portrait of an officer, perhaps done as an allegory of the god Mars. The object remains untraced. If anyone could spot it, it is Pyhrr, to whom credit goes for recog-nizing Filippo's manner in the piece depicted by Rubens and later by the engraver Jacques Spon (1674-1685). In 1538, Filippo had his most ex-

احكزامن الأحن

travagant inspiration. He devised with his brothers a two-faced burgonet in-tended for one of the dukes of Urbino. The peak reproduces a face and the buffe, a half-face that leaves the open-

ings for the eyes unfinished. With its beard stylized in the form of serrated foliage, and the Mephistophelean sneer of the lips, the half face is one of the most forceful works of the late Northern

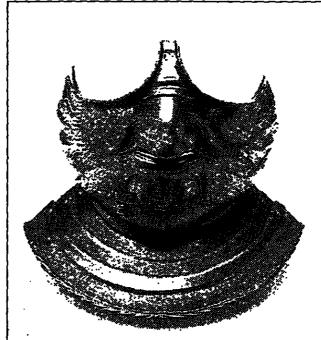
Renaissance. In 1539, Filippo restrained his manner, possibly under the influence of his brother Francesco, with whom he signed a garniture (an armor with adaptable elements for various uses) commissioned by Charles V. The grinning mask, dear to the emperor's heart, is interpreted in tamer fashion. A precieux element creeps in, fine ornament inlaid in gold following the Iranian technique. From snarling Surrealism, the Negroli brothers' aesthetics of ferocity were veering to silky affectation.

This cooler strain recurs in the burgonet from yet another armor made by Filippo and Francesco for Charles V. There, a scrolling band that implies direct acquaintance with contemporary tranian metalwork patterns ap-

pears under the signature. Along the central axis of the helmet, a man in fancy tion whether it concerns the short locks attire wears an Iranian-type turban, not of hair or the wreath of oak branches. fully understood (the twists and the knot-

ting are not right).
What contacts the Negrolis may have had with Middle Eastern metalworkers possibly established in Northern Italy escapes us. So does most of their long history. Parallel careers were led by cousins from another branch of the Negroli, in particular the remarkable Giovan Paolo, revealed in this show to A lizard, cozily perched between these. Filippo's, with similar Surrealist tendglares sardonically at anyone that might encies within his otherwise highly idiosyncratic style.

All were fourth-generation armorers. This suggests that their predecessors, descended from a common 15th-century The Renaissance Bannan's armor cre- ancestor, developed their powerful traated a profound and lasting impression. dition over several decades. Alas, not a Titian, painting his famous "Twelve single piece of armor can be associated Caesars," portrayed Claudius wearing with the first three generations. Their that breastplate - the original perished names alone are known through in the 18th century, but Bernardino archives. A great deal more probably



Milan from the 1530s to the Buffe, or lower front part, of a helmet in steel and gold. el, is transformed by the armorer's ob-

servation of nature rather than conven-

of hair or the wreath of oak branches.

This is the three-dimensional portrait of

making a helmet for Guidobaldo II della

Rovere around the same time. The mask

has the wings of a bat attached to its

through which multiple human eyes peer

a real person, albeit one that has no eyes

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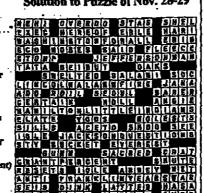
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Hotel. A term to use loosely

when describing Brown's.

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The first German confectionery and chocolate shop in Parts opens its doors.

Herald Cribune BUSINESS/FINANCE

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PAGE 11

EU Rate Cuts Show Inflation-Fighting Is No Longer a State 'Religion'

By Richard W. Stevenson where the Fed cut rates three haps too much so, and has given New York Times Service

WASHINGTON — Three etary policy in Europe came defiation. The European move months ago. Alan Greenspan, primarily from concern about is part of that process."

The rate reductions in Europe and the effects of the global down. serve Board, warned that the turn at home, not from a desire an "oasis of prosperity unaf-problems. But there is a broader fected by a world that is experiencing greatly increased European ac-stress." It has taken a while, but thon as well-Surope has come to the same Central banks in Contral banks in

After brushing aside hints shifted their attention from from Washington in September fighting inflation to nurturing that the United States would growth in a world that lately has like to see coordinated translike to see coordinated trans-Atlantic interest-rate cuts, Ger-nomic shock after another. many and the 10 other nations cean currency trimmed rates Thursday to help keep their. economies from stalling. As in the United States,

message in the

all major industrial nations have eral months, and that led Europe

said: "We are seeing, and justly so, the abandonment of the inflation-fighting religion, which

times in seven weeks this an- us a world of recessions and tumn, the impetus to ease mon-considerable risks, including

United States could not remain to fix the rest of the world's influence on policymakers at are unlikely to have a direct the Federal Reserve, who will meet Dec. 22 to decide whether to cut rates again. But the forces that led the Fed

to ease policy over the past sev-

to act Thursday, have proved difficult to contain, and both emerging economies and indus-trialized nations remain vulnerable. On Thursday, Brazil's Allen Sinai, an economist at Congress rejected legislation that are creating a single Euro- Primark Decision Economics, that was considered a key component of its economic recovery package, jolting investors across Latin America and on

Economists have been slash- Chase Securities. ing their estimates for growth in Europe next year, saying that a decline in exports caused by the global moubles will hurt the that stunned the financial markets, which had not expected a rate cut for weeks — maybe not Continent's gradual recovery. The left-leaning governments that now dominate Europe -

especially Finance Minister Os-

for lower rates from their central banks, especially since inflation is dormant and unemployment remains high. The European rate cut should be seen in the context

back in September — that of a change where the risk is of a the ups and downs or une real of the world.

"The future of monetary and continuous action and not from the ups and downs or une real of the world." inflationary price pressures," said Christopher Widness, an international economist at

In moving Thursday in a way until after the new European Central Bank took control of monetary policy in the new year - the I I European nations also kar Lafontaine and the rest of seemed intent on reminding the the new German government — world that collectively they are have also been pressing openly a major new economic force in the world.

At the same time, their move seemed to show they understood that their new influence brought with it the need to view an economically united Europe that Alan Greenspan formulated as bound to, and influenced by,

other economic policy is going

See RATES, Page 15



Hans Tietmeyer, the president of the Bundesbank, said the recent cut in the German base interest rate was "not influenced by political pressure."





Alfred Butts, the inventor of Scrabble, inspecting game tiles at the plant in Fairfax, Vermont, in 1985. The plant was closed Friday, and its manufacturer said it had not yet chosen a new contractor for the tiles.

Spelling Out 'the End' at Scrabble Plant

Game's Manufacturer Closes the Only U.S. Plant Making Wooden Tiles

By Mary Ann Lickteig

FAIRFAX, Vermont - Friday spelled the end for the only U.S. factory making those little wooden Scrabble

Hashro Inc. was hanging a C-L-O-S-E-D sign at Milton Bradley Wood Products Co., which has charned out I million of the lettered tiles a day for 20 years.

The reason is a 10-point word: business. A Hasbro spokesman, Mark Morris, said the company had begun looking at the most efficient way to make each product and had decided to get out of the business of producing the tiles itself for the word game. Milton Bradley

is a Hasbro division. Eighty-seven people were losing their jobs after doing their part to make the little square tiles that litter coffee celes in one of every three American homes. Scrabble sells raillion to 2 million copies in North America every year and is a 50-year-old favorite guaranteed to turn up under Christmas trees and come out of closets during

Sometimes it was hard to believe that we still had to make them," said Harold Wright Ir., who worked at the factory for eight and a half years. "But the order just kept

Americans were held hostage in Iran nearly 20 years ago, they made a Scrabble game out of paper to help pass the time. And John D. Williams Jr., executive director of the National Scrabble Association, said he had heard that Scrabble aficionados in Jerusalem played Scrabble in gas

masks during the Gulf War. "Scrabble tiles are one of the most recognizable icons, American icons," Mr. Williams said.

Mr. Morris said Hasbro was still considering contractors in the United States and elsewhere and had not decided where its tiles would come from after Friday

But some people in Fairfax find it hard to believe that a company would close one plant before finding another.

Whatever the outcome, Scrabble will still be manufactured, players will still be able to call Hasbro when they lose a letter, and the tiles will continue to be made of wood. Chances are, however, the material will no longer be

Vermont hard maple Milton Bradley Wood Products, which occupies a long, low metal building in the middle of a pine grove, is the only industry in this town of 2,500 people and a single blinking cantion light. It turns out Scrabble tiles and trays for all Scrabble games sold in the United States and Canada.

The plant, which also used to produce Parcheesi and Jumanji pawns, Jenga and Bottle Topps games and the getting bigger every year."

wooden hotels found in deluxe Monopoly se
In a testament to the game's popularity, President Bill
Clinton and his wife play Scrabble on vacation. When wooden hotels found in deluxe Monopoly sets, made only Scrabble trays and navy blue tiles — for the game's 50th

GM Aims to Halve Its Production Costs

Suppliers Would Work on Factory Floor to Install Component Systems

By Warren Brown and Frank Swoboda Washington Post Service

WASHINGTON -- General Motors Corp. plans a radical change in its assembly operations that will bring suppliers onto the factory floor and cut production costs in half, company of-

The new technique, called modular assembly, will use suppliers and other workers to install complete component systems, such as suspension and brake systems, instead of simply relying on these outsiders to provide individual parts, such as brake shoes and shock

The company expects the change to reduce its warranty and production costs, increase its output with fewer employees and enable it to respond more quickly to market forces, in other words to get more while using less. GM officials said, for example, that the new process could cut the cost of creating a new vehicle from \$1 billion to \$360

The United Auto Workers union declined to comment on GM's plans. But an official acknowledged that union leaders are studying the matter.

The concept of modular assembly is not new. Ford Motor Co. and Volkswagen AG already use modular assembly techniques at plants in Brazil. Ford also is using the process to build its Focus mid-size car in Europe.

According to GM officials and in-

ternal company notes from production meetings. GM expects to be the first automaker to use modular assembly in the United States. The process will be introduced at Saturn Corp., GM's small-car subsi-

diary, to build a new sport-utility vehicle scheduled for the latter part of

If modular assembly succeeds at Saturn, GM will adopt the process at other small-car facilities, including plants in Lansing, Michigan, and Lordstown, Ohio, where the company produces Chevrolet, Pontiac and Oldsmobile compact cars, according to sources familiar with the company's plans.

By 2003, GM plans to assemble 105,000 small sport-utility models annually at its Saturn plant in Spring Hill, Tennessee, which currently has the capacity to produce 340,000 vehicles. The company hopes the process will enable it to increase overall plant capacity to 360,000 by that year, according to internal memos verified in interviews with GM officials. Under some circumstances, the capacity could rise to

420,000 vehicles a year. "Will GM be able to pull this off?" asked David E. Cole, director of the Office for the Study of Automotive Transportation at the University of Michigan. "We don't know, not until they actually start doing it. But if they succeed, you can expect to see them using this approach in other plants," he

Modular assembly is designed to yield faster output of different kinds of vehicles at higher quality, using fewer workers, Mr. Cole said. But there are risks. Suppliers, whose

See GM, Page 12

New Export Accord Aims To Tighten Encryption

By John Markoff New York Times Service

NEW YORK - An agreement has been reached in Vienna that is expected to produce new international controls on the export of data-scrambling software and hardware, according to U.S. officials. It is a long-contentious issue pitting individual privacy against na-

tional security. The agreement Thursday by the 33 members of the Wassenaar Arrangement, a multilateral export-control group, is a compromise measure that places new restrictions on the exporting of mass-market software with numer-

ical keys above 64 bits in length. The more bits used in a key, the stronger the encryption. But the increase is exponential, so that a 64-bit key is only marginally longer than a 56-bit key, but would take 256 times longer

to break The United States has long refused to allow American companies to export "strong encryption" — that is, software that scrambles data so thoroughly that it is virtually impossible to decode without the key — on the ground that it could be used by international terrorists

to hide the plotting and execution of their activities from intelligence and police agencies. The Clinton administration has been eager to close what it considered a loophole in foreign export controls that permits companies outside the United States to export mass-market programs like In-ternet browsers, which in the United States rounnely use 128-bit encryption

to protect financial transactions.

The United States argues that the 64-bit key is strong enough to protect data from almost all computer users today. But industry executives and technical experts say it is not beyond the codebreaking power of the supercomputers used by the National Security Agency

and other intelligence organizations. U.S. government officials said Thursday that they thought the agreement would reduce some opposition from America's high-technology industries, which say export controls increasingly put them at a disadvantage with foreign competitors.

"This levels the playing field between the U.S. and other countries," said Ambassador David Aaron, the president's special envoy for cryptography. "Companies in other countries were actually advertising: 'Buy our software. We don't have export controls.' Now they will have export con-

trols for strong encryption.' But technology experts in the United States questioned that assertion.

Although the agreement was likely to lead to some new restrictions, it probably will do little to change the policy of nations like Germany and Finland, which have opposed any restrictions on

the export of encryption software. "This is probably a mixed result for the U.S.," said Stewart Baker, a Washington lawyer who represents several

high-technology companies.
"They've eliminated record-keeping for low-level encryption, and what the U.S. got in exchange for that is that other countries now have clear authority to control the export of stronger forms of

encryption."
Other industry representatives pr dicted that the agreement would do little to halt the spread of encryption technology to terrorists or belligerent

And whatever limits the nations enact. many experts have noted that the most advanced encryption software is neither esoteric nor costly and is easily within the grasp of most bright college students. Until last year, the United States placed controls on all exports with numerical key lengths greater than 40

The key length for unrestricted exports was raised to 56 bits in July. But John Gilmore, a San Francisco privacy activist and entrepreneur, quickly demonstrated that it was possible to decode a message encrypted with a 56-bit key in just 56 hours with a custombuilt computer assembled for less than

And given the exponential increase in the per-dollar power of computer technology, many privacy advocates and security experts argue that the 56-bit and even 64-bit numerical keys permitted under the new agreement are not adequate protection.

World Bank Denies It Held IMF at Fault

The Associated Press

WASHINGTON —The president of the World Bank, James Wolfensohn, has denied published reports that the bank criticized handling of the Asian financial crisis by its sister institution, the Inter-national Monetary Fund.

"There has never been any doubt on our part that the International Monetary Fund has carried out this most difficult task with strength and judgment," Mr. Wolfensohn said Thursday. "We support them and are grateful for the irreplace-

able role that they play."

He added that the World Bank was too busy with its mandate of working to alleviate the consequences of the Asian crisis millions forced into poverty and extensive unemployment second-guess IMF decisions. But economists from the two institutions will sometimes debate spe-

cific issues privately, he said.
Mr. Wolfensohn was responding to a report in The New York Times, which was published Thursday in the International Herald Tribune, and a separate report in The Washington Post. The reports said that the World Bank's annual Global Economic Prospects report, re-leased Wednesday, amounted to blaming the IMF for making Asia's financial crisis worse.

'This interpretation is false,' Mr. Wolfensohn said.

Without identifying the Fund by name, the World Bank report criticized the high-interest-rate policy the Fund recommended to Asian countries in 1997 to prop up currencies Joseph Stiglitz, the World Bank's chief economist, said that the policy had not worked and had driven Asia deeper into recession. The IMF's two leading economists, Stanley Fischer and Michael Mussa, have disputed this view.

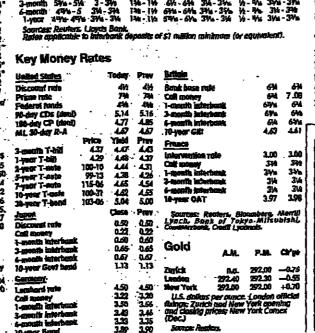
The Times quoted unidentified World Bank officials as saying that the Fund's name had been left out of the report as a conciliatory gesture.

CURRENCY & INTEREST RATES

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Very briefly:

• Hollinger International, the second-largest U.S. newspaper group, is selling at least 45 newspapers to Community Newspaper Holdings Inc. for \$475 million to focus on its larger publications, including the Chicago Sun-Times. The newspapers being sold include 28 dailies and 17 weeklies.

• Fairfax Financial Holdings Ltd., a Canadian insurer and investment-management company, agreed to buy the American insurer TIG Holdings Inc. for about \$840 million. Fairfax will pay \$16.50 for each TIG share outstanding, raising the money with a stock sale.

• DaimlerChrysler AG said Dennis Pawley, the Chrysler executive credited with implementing a manufacturing system that saved the company millions of dollars, would retire Jan. 31. No successor has been named.

 Bank of America cut 300 workers from its brokerage units in its first large-scale layoff since the merger of NationsBank Corp. and BankAmerica Corp. was completed this autumn.

 AMR Corp., the parent company of American Airlines, agreed to buy Business Express Airlines for an undisclosed price to strengthen the Northeastern U.S. route system of its regional carrier, American Eagle. The purchase includes a 43-plane fleet and planes on order, AMR said. Hubs for Business Express are Logan International Airport in Boston and LaGuardia Airport in New York.

• Alliant Foodservice Inc., one of the largest closely held food distributors in the United States, will dismiss as many as 1,200 workers in an attempt to deliver food at "lower costs and higher value.

 Canada's unemployment rate unexpectedly fell to 8 percent in November as retailers took on workers for holiday sales and unusually warm weather encouraged construction, creating the biggest monthly job gain in four years. The results surpassed economists' expectations that the jobless rate would be unchanged from October at 8.1 percent.

| The Trib ln | Prices as of 4:00 P.M. New York time. | | | |
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AMEX Friday's 4 P.M. Close The 200 most traded stocks of the day, up to the closing on Wall Street. Library Company Compan

Officials Seal JOBS: Services Lead Unexpected Rise in U.S. Employment Dollar Gains U.S.-Canada Farm Deal

WASHINGTON — U.S. trade negotiators said Friday they had reached an agreement with Ottawa to further open its market to U.S. farm goods, allowing North Dakota and Montana farmers to ship grain directly to Canada

The agreement, announced by Charlene Barshefsky, the U.S. trade representative, also included Canada's promise to allow U.S.

ican farmers and ranchers it is good news in a trying year," Ms. Barshefsky said in a statement.

The agreement was described as an important step toward resolving a number of long-simmering farm trade disputes along the U.S.-Ca-nadian border. A blockade had been planned for Sunday by farmers in Montana, North Dakota and Minnesota to stop imports of Canadian goods if Ottawa did not agree to ome specific changes.

The pact includes greater cooperation on cattle trade data and a U.S. plan to establish a new mechanism to monitor grain imports from Canada with quarterly consultations between the countries. It also will eliminate a 30-day quarantine on U.S. live hogs exported to Canada from 33 states, sharply reducing costs for U.S. producers.

Ottawa also agreed to eliminate burdensome testing requirements for a wheat disease known as karnal bunt, which affects much of the wheat grown in 14 northern U.S. states, Ms. Barshefsky said.

Agriculture Secretary Dan Glickman said Canada and the United States also had agreed to work together to avoid trade disruptions based on differing regulations for pesticides and veterinary drugs for animals. The American Farm Bureau, the

nation's largest farmer organization, expressed some skepticism about the overall agreement and said U.S. producers would be watching to see if Canada lived up to the "It's progress, obviously," said

Dick Newpher, head of the Farm Bureau office in Washington. 'There's a lot of work to be done." American farmers have complained that an influx of Canadian

wheat, cattle and pigs pushed down U.S. prices, while the border rules duction people would be consulted. make are usually designed for acdenied access to Canadian markets.

Nasdaq

AMEX

U. S. STOCK MARKET DIARY

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Continued from Page 1

losses and an illustration of how nouncing plans to lay off 4,100.

unlikely to stay idle for long. "It point, to 103 7/32, pushing the yield showed that growth is continuing up to 5.04 percent from 5.00 percent and employment and household incomes will be rising," said Kevin Logan, senior economist at Dresdner Kleinwort Benson.

He said the loss of manufacturing jobs - payrolls in this sector shrank by 47,000 in November - was not necessarily a problem. The current farmers to export grain by rail and to revise its animal health import regulations.

"This is a first step, but for America of \$1.11

average hourly wage in manufacturing is \$13.61 he said, compared with \$12.50 for private-sector service jobs. That difference of \$1.11 an hour compares favorably with the \$1.47 gap two years ago, when he said factory jobs paid an average of \$12.92 an hour and the service sector offered \$11.45.

while the gap is closing, Mr. Logan noted, wages are not significantly rising. The employment report showed that average hourly earnings were up just 3.7 percent last month, compared with November 1997, down from 4.4 percent when the rate of increase peaked in April. "That may not seem like a big change, but from 4.4 percent to 3.7 percent, things are beginning to

slow down," he said.

Continued from Page 11

influence in the auto production pro-

cess has been growing, will become

still more powerful, and GM will have to take as much care managing

its relations with these outside firms

as it does to maintain ties with its

In the past, new cars and trucks

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GM: A Plan to Halve Assembly Costs

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+1/2 URICH. -1/2 URICH. +1/2

late into inflation as companies were forced to bid up salaries. The modest wage gains reported Friday helped narrowing profit margins are lead- allay those fears and limited the ing to layoffs. Late Thursday, John-damage to the credit market, where son & Johnson joined the trend, an- inflation eats away at the value of yet Friday's employment report the price of the benchmark 30-year indicated that those workers were Treasury bond was down only 18/32

U.S. STOCKS

Thursday.

The quick change in sentiment on Wall Street on Friday, after a nearly 185-point drop Thursday, "reinforces why one should not invest off of day-to-day numbers but should rather invest off of long-term economic trends, which remain favorable," said Anthony Dwyer, chief market strategist at Ladenburg, Thalmann & Co.

He cited "continued growth in the U.S. economy, coupled with limited inflationary pressures and the potential for real reform overas reasons to be optimistic about the stock market.

The Dow industrials remain at roughly the levels of six months ago, after a volatile summer and autumn. At the same time, corporate earnings have risen — albeit at a slower rate than in the past - so stocks are better values than they were then, Mr. Dwyer said.

ow down.' he said.

A potential positive surprise, he said, would be if the reforms under arose that the U.S. economy might way in Asia or Brazil translated into stagnate, a major concern for in-vestors was that the labor shortage those regions next year. That might that had kept American unemploy-ment at its lowest levels for a quarter of a century would eventually trans-servative," he said.

a lot of end-of-assembly fixes, so-

called factory repair lines, where

vehicles that were not put together

old production system.

On Friday, computer makers were among the biggest gainers on Wall Street Compaq Computer was the most active issue on the New York Stock Exchange, rising 2 5/16 to 38 11/16 after Prudential Securities reiterated a "strong buy" recommendation.

On the Nasdaq system, Intel was 6 13/16 to 116 5/16 on a reviving outlook for sales.

On the New York exchange, Lucent Technologies, the maker of telecommunications equipment, was up 7% to 95%. Another phone equipment maker, PairGain Technologies, fell 2 1/32 to 7 1/32 after it said fourth-quarter results would miss forecasts as it lost business and cut prices.

Citigroup rose 11/4 to 49 9/16 as it took over the "C" ticker symbol that was held by Chrysler before its acquisition by Daimler-Benz.

An interesting phenomenon was a sharp drop in the price of Creative Computers, which sold 1.6 million shares of its unprofitable Internet auction subsidiary, Ubid. The Ubid offering was exceptionally popular, with the stock rising to 48 from its offering price of 15, but Creative fell 9 to 26%, apparently on disappointment that the offering was not even more of a blowout.

Creative closed as low as 81/4 and as high as 56% in November as investors jockeyed for position in

advance of the offering. Another big loser was J.D. Edwards & Co., a software maker that fell 71/2 to 28 after it said it could only forecast orders for six months, down from the previous nine. The reduced forecast period makes the stock riskier.

On Strength In Economy

NEW YORK — The dollar ral lied Friday against other major curone of the most active issues, rising rencies as a surprisingly strong U.S. employment report lifted stock prices and reduced speculation that the Federal Reserve Board would cut interest rates again.

The report seems to cast doubt on how fast the economy was sup-posed to be slowing, and the dollar

FOREIGN EXCHANGE

obviously got a bit of a kick off the back of it," said Adam Chester, a dealer with Halifax PLC.

If the U.S. economy remains to bust, the Fed may not have to cit interest rates for a fourth time this year, which will help dollar deposits remain competitive.

"This is supportive for the dol"said Paul O'Brien, a bond trader at Morgan Stanley Dean Witter Investment Management. The res port means the U.S. economy is not slowing nearly as quickly as many people had thought, he said, and "it's not the sort of number that will get the Fed to lower rates soon."

In 4 P.M. trading, the dollar was at 1.6758 Deutsche marks, up from 1.6715 DM on Thursday, and at 118.755 year, up from 118.570 year. Traders were lured to the dollar and shunned the yea amid signs this

week that Japan's economy remained stuck in a slump. Recession in Japan bolsters expectations that the Bank of Japan will not raise interest rates soon.
The dollar is attractive when com-

paring economic fundamentals in the United States and Japan, said Toshiy. uki Takamatsu, a senior foreign-ex-change dealer at ABN-AMRO Bank in Tokyo. "You can also consider the gap in interest rates," he said. Ja pan's interest rates are at record lows with the target interbank overnight loan rate at 0.25 percent.

Despite the gains, investors re-main cantious about the long-team resilience of the dollar.

"I think fundamentally the dollar is still vulnerable," Mr. Chester said, He said the economy was likely to continue slowing despite the strong jobs data. Also reining in the dollar's gains, he said, were continuing wor-'When a company like J&J re- ries over the economy in Brazil and

ш**са** 675

Johnson & Johnson To Cut 4.100 Jobs

The Associated Press

NEW YORK - Johnson & Johnproperly were adjusted. Every extra son, maker of Tylenol and Band-Aid bandages, is eliminating 4,100 jobs, or 4 percent of its workforce, to free funds for research and development. step carried a financial penalty, as did the product recalls and warranty charges that often resulted from the Gradually, led by the Japanese, American and European car compa-The cuts will be made over the next 18 months by closing 36 of 158 came into being through a system nies began bringing their suppliers fraught with the potential for error. into the product-development pro-

manufacturing plants, the company, based in New Brunswick, New Jercess earlier. That included giving sey, announced late Thursday. would work among themselves, the parts companies more design Auto engineers and developers and development responsibility for About 2,500 of the job cuts will be in the United States.

would try to find a way to make the components, along with longer condesigns work. Suppliers would be tracts. Today, according to Mr. brought in to develop components Cole, the supplier companies have required by the designers and en- almost as much product responsigineers. Somewhere along the line, bility as the automakers themselves, dersco usually at the end of it, the pro- and the component systems they lems a

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| | Thurs open ini 3.166.937, up 606 | Maryy 12.03 11.81 11.85 -0.08 41, |
| | BRITISH POUND (CMER) | (MEY YF 12.69 12.60 12.60 -0.03 19. |
| 1,124 | 62,500 pounds, 5 per yound | JUN 77 JULY 2287 1287 - 1103 244 |
| 76 | Dec 98 1.6682 1.6990 1.6646-0.0002 47,193 Mar 99 1.6620 1.6540 1.6394 unch. 7,925 | Est. sales N.A. Thu's sales 157,028 Thu's open by 497,227, off 2,580 |
| 56,363 | Jun 99 1.6546+0,0002 1,218 | |
| 6.109 6.507 1,547 | Est. soles 14,308 Tou's soles 9,229 | NATURAL GAS (NMER) |
| 1,50 | The's open in 56,237, up 575 | 10,000 may blus, \$ per may brig Jon 99 2,030 1,850 1,990 +0,031 544 |
| 5,914 | CANADIAN DOLLAR (CMER) | Feb 99 2.055 1.940 2.030 +0.029 25, Marr 99 2.045 1.910 2.025 +0.027 26, |
| | 100,000 dollars, \$ per Cdn. dy Doc 98 | APF 97 2.030 1.950 2.000 +8.010 14.5 |
| | Mar 99 4538 4500 4518+0.0006 7,747 Jun 99 4560 4620 4523+0.0006 1,904 | May 99 2030 1.970 2015 +0.015 114 Jun 99 2040 1.990 2025 +0.010 TL |
| | Jun 99 .6560 .6520 .6523+0,0006 1,904 Est. series 13,236 Thu/s notice, 8,145 | Est. sales N.A. Thurs sales 87.477 |
| 0,227 3 002 | The's open ini 64.054 up 1,273 | Est. sales N.A. Thurs sales 87,427 Thurs open int 235,578, up 1,075 |
| 2093 265 994 | GERMAN MARK (CMES) | UNLEADED GASOLINE OLDER |
| 994 | 125,000 marks, 5 per mark | 42,000 gol, cents per gol |
| • | 725,000 Blocks, 5 per mark Dec 98 | HBD 77 34.75 35.65 32.06 _0.97 |
| | Jun 99 .6006 .6015 .6004 .0000 1 1 1 1 | |
| NICUs. | Est. solas 40,568 Tho's solas 50,514 Thu's open by 93,068, off 1,706 | Apr 97 40.85 40.60 40.80 40.07 98 May 97 42.00 41.65 41.85 +0.07 10.65 |
| | | |
| | JAPANESE YEN (CALER) 12.5 million was 5 per 100 who | Jul 97 43.30 43.00 43.05 +0.03 7.5 Aug 99 43.15 +0.03 -5 |
| 273% | Dec 98 -8526 -8382 -8407-0.0036 -67.131 | Est. soles N.A. Thers soles 29,293 |
| 74.00 | 12.5 million year 5 per 100 year Dec 99 | Thes open int 96,619, up 3,869 |
| 517\ ₂ 45.08 | Est. soles 24.813 There soles 42,846 There open int 90,291, up 5.443 | CARAII ARM |
| | Thu's open ini 90,291, up 5,443 | U.S. dollars per metric ten - lots of 100 tent Dec 98 94.50 92.50 92.002.75 32.0 Jun 99 92.50 94.75 97.002.75 34.0 |
| 93.00 84.00 | SWISS FRANC (CMER) | Jon 99 98.50 94.75 97 on _275 341 |
| 86.00 | 125,000 francs, \$ per fener | Feb 99 101.75 100.25 100.50 _225 225 Mar 99 103.75 102.50 102.50 102.50 _200 .113 Api 99 104.00 105.25 704.50 _222 3.60 |
| 4020 4060 | Mar 99 200 730 730 7307-00015 9277 | Api 99 104.00 105.95 102.50 2.00 . 12.30 Api 99 104.00 105.95 102.65 2.95 4.00 |
| | JUL 27 JAME -0.0014 AT | May 97 108.50 107.25 106.75 -2.25 1.5 |
| 55.00 | Est. soles 15,717 Trans soles 12,633 Thurs open lot 50,073, off 2,734 | |
| 55.Q <u>0</u> | | ries. Open ett.: 132,976 Ott 1,491 |
| 9(0) | MEXICAN PESO (CMER) | BRENT OIL (IPE) |
| 87.00 | 500.000 pends, 5 per pase Dec 98 19995 19980 19980 500012 14,489 Mar 99 19945 199170 19900 100017 7,309 Jun 99 19890 19880 19880 10017 7,492 | BRENT GIL (IPE) U.S. dofters per horrel - tots of 1,000 horselv Jen 99 10.35 70.13 10.17 +0.01 628 Feb 99 10.42 10.42 10.44 -0.05 51.8 Akar 99 10.89 10.46 10.47 -0.05 51.8 |
|)p ka | Mor 99 .09245 .09170 .09200 :00017 7.309 Jun 99 .09690 .09680 .08680 .00017 7.309 | Feb 99 10.62 10.63 10.17 +0.01 624 |
| | .00017 2,692 Janes J.00017 2,692 | Mar 99 10.89 10.66 10.67 0.08 26.79 |



+ 0.01 -- 0.03 -- 0.03 -- 0.04 -- 0.04 -- 0.04

1.440NTH GUROLIPA CLIPPE 171.1 million - pix of 100 pcf 170:17 14.420 14.540 14.540 +0.010 159.538 170:17 14.870 14.870 14.840 -0.040 252.652

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EU Leaders Play Down Tension Over Taxation

SAINT-MALO, France — French and British leaders played down tensions over tax harmoniz-Friday, pledging of closer cooperation on defense policy.

While the two countries signed a companies and savings. declaration on defense planning. diere were differences between the two sides on other issues.

Prime Minister Lionel Jospin said France and other EU countries were not trying to impose uniform taxation in the 15-nation bloc, contrary what much of the British media red been saying in a recent frenzied and on EU policy maneuvers. seled the "tasteless" British press to stop attacking Finance Minister

fontaine's stance on harmonizing of which it is one of the biggest

Falls in Ireland

DUBLIN - The unemployment

fate fell in November to the lowest

level in 15 years, the government said Priday, confirming Ireland as

the fastest growing economy in the European Union.

The rate fell to 7.2 percent in

November from a revised 7.3 per-

cent in the previous month, with the

amber of people out of work and caiming benefits dropping to

213,800, after adjusting for seasonal variations. This was 3,300 fewer than in October and 32,700 lower

than a year earlier, the Central Sta-

"The relentless fall in hish un-

employment continues apace," said

Dan McLaughlin, chief economist

An influx of U.S.-led computer

and pharmaceutical investment has

helped create jobs in record num-

bers. The government in its 1999

budget this week forecast that un-

employment would fail next year to

tistics Office said.

at ABN-AMRO.

taxes in the European Union, a proposal that prompted virulent outbursts by British newspapers.

Mr. Lafontaine, a Social Demoadon and future funding of the Euro-pean Union at summit talks here on ish press into one of its periodic bouts of Germany-bashing on Tuesday with a call to harmonize taxes on

> In the talks here Friday, France and Britain remained divided on July concrete proposals to clamp down "tax oases" and unfair competition in corporate taxation, and should end next year. Overturning were equally hard-nosed, if diplotial decision would require unanmatic, in defending their stances on the distribution of EU funds.

a news conference that he stood by the EU budget, which stands in the in Bonn, meanwhile, Chancellor Britain's right to a rebate from EU Serbard Schroeder called on what he coffers, won by former Prime Minister Margaret Thatcher in the 1980s. France, meanwhile, stood stop attacking Finance Minister

1980s. France, meanward,
firm in refusing to consider any radfirm in refusing to consider any radfirm in refusing to consider any radical overhand of EU farm subsidies,
ical overhand of EU farm subsidies,
ic

spoke of the "warm" atmosphere at news conference at the end of the

Vienna next week a proposal to delay the abolition of duty-free trading for travelers in the EU next

EU member states decided in 1991 that the duty-free regime rebate."

imity among member states. Mr. Chirac tried to defuse tea-Prime Minister Tony Blair said at sions over the future distribution of way of other institutional reforms that member states need to agree before expanding membership of

the bloc to Central Europe.

If we start with the idea that

beneficiaries. Mr. Jospin, President negotiable, we're headed straight Jacques Chirac and Mr. Blair all for failure," Mr. Chirac said at a the two-day meeting.

Mr. Blair said the governments tain insisted they would push for a ish press into one of its periodic also had agreed to discuss at a summit meeting of European leaders in EU funds and stuck to the line that all was open to compromise, there

was little sign of concession. On Britain's right to a rebate, Mr. Blair said, "I made my position clear - that we stand by the British (Reuters, Bloomberg)

Benn Moves on Tax Reform

The German Parliament passed the first stage of Mr. Schroeder's tax-reform proposals that will reduce taxes for low-income wage earners in January, Reuters reported from Bonn.

Mr. Schroeder's coalition partners voted together to easily pass the measure, 328 to 220. The measure is expected to easily pass the upper

Jobless Rate Ruble Tumbles to Near Its Record Low

Compiled by Our Stoff From Dispatcher MOSCOW — The ruble tumbled Friday, trading near record low levels last seen immediately after Russia's economic crisis broke out

in Angust The ruble fell Friday to 20.61 to the dollar, compared with 18.56 to the dollar Thursday, an ominous sign for the government, which desperately needs to stabilize the economy as Russia heads into the difficult winter months. The dollar bought more than 20 rubles shortly after the country's economic crisis hit, before the Russian currency made a slight comeback to trade around 16 to the dollar. The currency was at about 6 to the

With President Boris Yeltsin hospitalized and Prime Minister Yevgeni Primakov still struggling to enact a recovery plan, the economy continues to founder and remains vulnerable to additional shocks. Mr. Primakov said the govern-

ment would not attempt to fix the ruble rate and would continue to let dollars circulate freely in Russia. He acknowledged that the crisis had left Moscow with few good options.

"The government has found it has less room to maneuver in these conditions than it had a year or two ago, Mr. Primakov said at a session of the World Economic Forum in Moscow. The central bank last month imposed restrictions on exporters and banks to cent by year's end.(AP, Bloomberg)

try to limit access to foreign currency and slow the ruble's fall. But the measures have failed as

the central bank has spent reserves to pay foreign debts and printed more money to pay wages, while commercial banks skirt restrictions on hoarding dollars.

'Capital controls don't seem to be stopping the leakage out of the country," said Roland Nash, head of credit at MFK Renaissance in Moscow, "and there seems to be a quite significant amount of rubles entering the economy through the banking system." That is fueling inflation, now at an annual rate of 65 percent and expected to top 70 per-

dollar before the crisis. **OECD Suspends Talks on Investment Treaty**

PARIS - Negotiations on a treaty setting rules for international investment have been suspended after four years marked by protests from environmental activists, unions and governments, the Orga-

> 5900 5100 5100 27500 13750 15000 8400 5700 8600 4600 24508 13008 14500 8209 200 200 200 200 200 1400 1550 800

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of the organization's 29 members tion said. The Paris-based agency Thursday, the organization said. The end of the talks on the socalled Multilateral Agreement on Investment had been expected since agreed they would continue to dis-France and then Australia pulled out,

coordinates policy among the world's most developed economies.

Officials of the organization cuss setting some rules on protecting overseas investment but would not be attempting anything as ambitious

Airbus Cites Big Backlog Of Orders

PARIS - Airbus Industrie said Friday that its order backlog was at a record high, with orders for some 1,300 aircraft valued at more than \$75 billion on its books, representing four years of work.

"We have never had such a large backlog" a spokeswoman

The order backlog highlights the diverging fortunes of the European consortium and its rival, Boeing Co. of the United States, which, battered by the Asian economic crisis and production problems, plans wide-spread layoffs.

The spokeswoman said that in contrast, Airbus was raising production rates by 25 percent this year and the two following years to keep up with contracted deliveries.

That delivery schedule translates into rising revenue for Airbus as it records payments when aircraft are delivered, including the initial deposit taken at the time of the order.

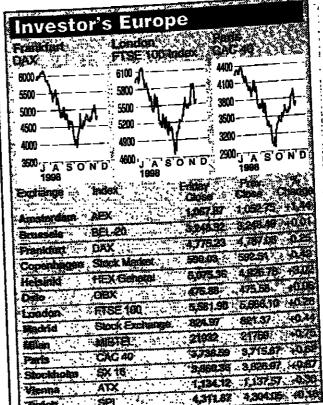
Analysts say the order backlog could help the company ride out the turbulence in the global economy, which has caused many Asian airlines to cancel planned orders. Airbus's German partner, DaimlerChrysler Aerospace, earlier said a decline in airliner orders could remain weak until 2002.

Boeing said this week it was laying off 48,000 workers, cutting production and scaling back its 1999 profit forecast be-

cause of the Asian crisis. But Airbus said its order book would cushion the impact of any sales slowdown. "Any fall in sales would be normal after three strong years,

the spokeswoman said. Airbus's current backlog is about double the levels seen in the 1993-94 period.

Airbus is a consortium made up of Aerospatiale SA of France, British Aerospace PLC, DaimlerChrysler Aerospace AG and Construcciones Aero-



Very briefly:

مكذامن الأحل

 Deutsche Post AG, Germany's state-controlled postal service, is buying the 82.5 percent of Deutsche Postbank AG that it does not already own for 4.33 billion Deutsche marks (\$2.59 billion) to prepare for the start of privatization in 2000, the Finance Ministry said.

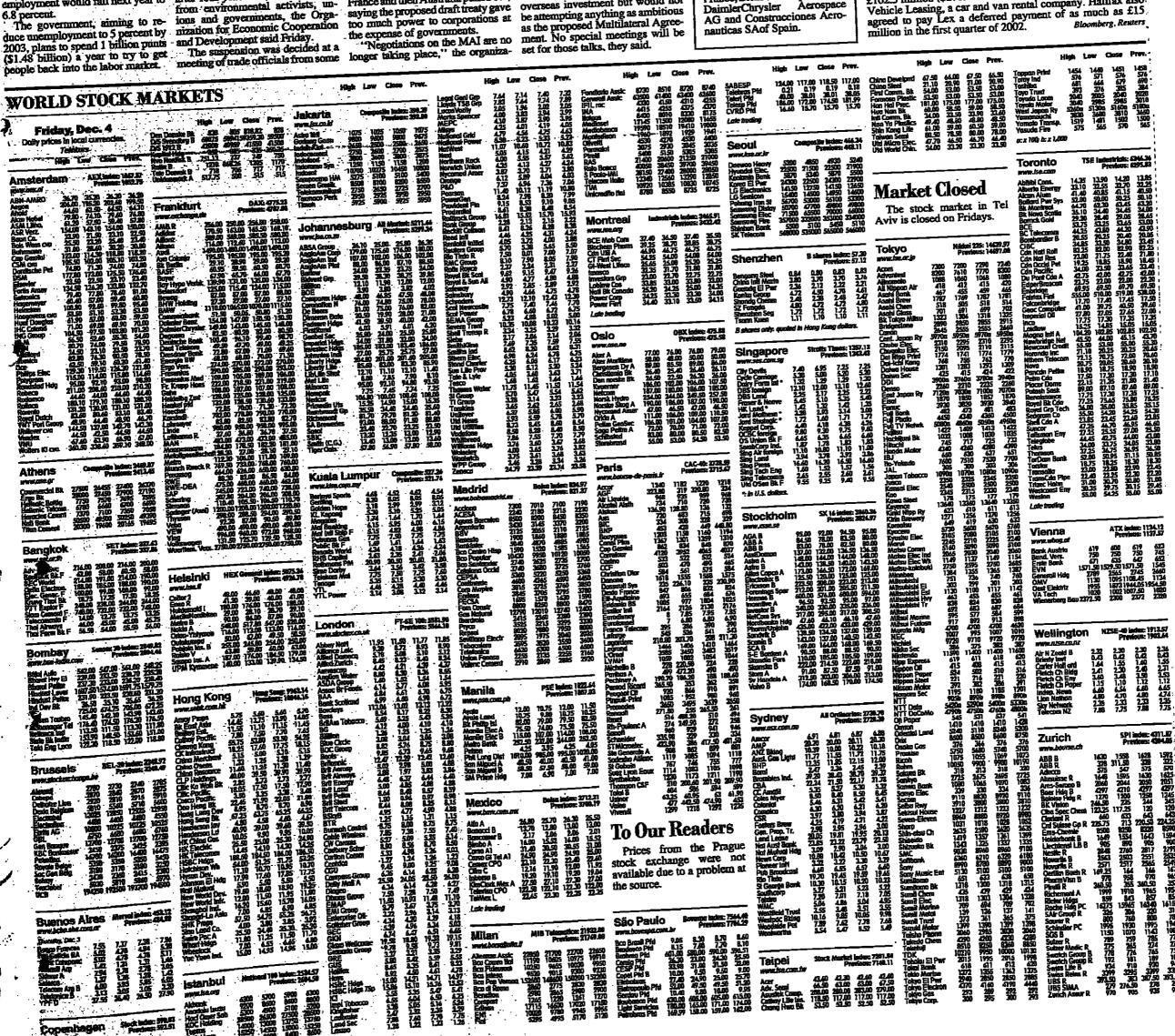
· South African Breweries Ltd. plans to transfer its core operations into a new company, SAB PLC, to be listed on the London Stock Exchange. The company said the move would enable it "to compete on the world stage with our major international partners."

• The European Central Bank adopted rules requiring banks and other financial institutions to report balance-sheet information to help it keep watch over monetary developments. The central banks of the 11 countries adopting the euro Jan. 1 are to collect the data in a harmonized manner before passing it on to the European bank.

• The European Commission is threatening to take France to court over a law restricting investments in the country'sbiggest oil company, Elf Aquitaine SA. The European Union's executive body objects to a 1993 decree that gave the French government a so-called golden share aimed at preventing foreign companies from taking over Elf Aquitaine.

• Greece's 12-month inflation rate fell to a 33-year low of 4.2percent in November from 4.7 percent in October after the government cut taxes on gasoline and heating fuel, increasing the hances the central bank will cut interest rates soon.

• Lex Service PLC, a British auto distribution and leasingcompany, said the banking company Halifax PLC would pay, £162.5 million (\$270.4 million) for a 50 percent stake in Lex Vehicle Leasing, a car and van rental company. Halifax also agreed to pay Lex a deferred payment of as much as £15.



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A SECOND

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DoCoMo's Pet Project: It's Not Just for People

bicycles and even vending machines.

going to great lengths to try to make sure it and vending machines.

Continues to grow. DoCoMo, as the company is "Depending how your dog barks, you could be a superior of not." Mr. and users - to complement its expansion in the

human market.
"We want to target everything that moves, company's president

TOKYO—Calling all cars—and dogs, cars, expected 60 million subscriptions for mobile expects through 2005. Mr. Tachikawa said he monitor the locations of their vehicles

known, is developing mobile communications tell whether it is in an emergency or not," Mr. mobile phones to become saturated soon, devices for some seemingly unorthodox uses— Tachikawa said, explaining why Fido—or That is why DoCoMo, an affiliate of Ni and users—the control of the control o more commonly in Japan, Potchi - might want Telegraph & Telephone Corp. that went public

to sign up to the service.

Humans might more commonly use the including pets," said Keiji Tachikawa, the phones in their laptop computers, which Mr. company's president.

The company is looking to the mobile phone as we now know it for only part of the growth it said, would use cellular phone-based devices to mans will sign contracts."

(AFP, Bloomberg)

DoCoMo currently serves 20,77 million mo-The biggest Japanese mobile phone service, hon for laptop computers, 20 million for house.

NTT Mobile Communications Network Inc., is hold pets and 10 million for ships, motorbikes million cellular phone users nationwide, compared with 70 million fixed-line subscribers, the pared with 70 million fixed-line subscribers. communications devices for bicycles, 50 mil-bile-phone subscribers, a 57 percent share of

> That is why DoCoMo, an affiliate of Nippon on the Tokyo market in October, is turning to other sources of growth.

> company expects the market for traditional

Mr. Tachikawa does see one possible lim-

Japanese Officials Expect No Economic Growth in '99

RATES: Europe Focuses on Growth

ordinated because all these countries are part of the world system,"

been justified by the darkening economic outlook, to cut rates at a time of growing political pressure to do Asian events is how tightly tied to so might have left the new central each other the countries of the world bank looking weak-willed.

Still, some analysts say the Eurobetter to get it out of the way while peans may have had a less altruistic the Bundesbank was still in goal in mind as well, one driven by charge," Mr. Widness of Chase Settle increasing competition for excuring said.

They said Europe did not want to telling the European governments risk entering monetary union, which that they would prefer to see the

make it hard for European exporters through big increases in government to compete around the world. Lower spending and growing budget def-

American economy continued to had been implemented on the as-

slow and the Fed cut rates further. sumption that governments would In any case, by moving now, be stick to the fiscal criteria laid out in

Economic indicators are going to show bad data for the time being. and Japan may not show outright "That seems growth in calendar 1999," Tailchi achieve," he said. Sakaiya, head of the Economic The Economic P. Planning Agency, said

wa said the economy would prob-

Mitsubishi Seeks

A Deal With Fiat

TOKYO - Mitsubishi Mo-

tors Corp., Japan's fourth-

largest automaker, said Friday it had exchanged a "shopping

list" of possible joint projects with Fiat SpA of Italy, the

world's sixth-largest cannaker.
"We're talking with many

companies about tie-ups, and

our stance has been that if it

benefits both parties, we would go ahead with it," said a Mir-

subishi spokesman who asked

Jiji Press reported recently that Fiat had shown interest in

Mitsubishi's line of small sport-

utility vehicles. Mitsubishi de-

clined to comment specifically on that report, but analysis say Fiat may be interested in a mod-

el that Mitsubishi is developing

for the European market; 35,000 are to be built annually by Pin-

AIRBUS INDUSTRIE

not to be identified.

75

(34° #

ably shrink more than the 1.8 per-through September, contracting 0.7

Continued from Pag 11

to be much more integrated and co-

port sales around the world as de-

mand in many countries declines.

starts Jan. 1, with the new currency, the euro, valued at a level that would

rates could help hold down the value

of the euro, which otherwise might rise relative to the dollar if the

The Economic Planning Agency said Thursday that the Japanese econ-Pinance Minister Kiichi Miyaza- omy shrank for a record fourth consecutive quarter in the three months

"That seems difficult to steps to stimulate the economy in response to the decision by European central banks to slash interest rates. Japan recently implemented a record -\$201-billion stimulus package.

In a fiscal policy speech to the

spot. Although a rate cut would have

bank looking weak-willed.
'If a rate cut was coming, it was

Some analysts said the national

central banks also seemed to be

economic problems dealt with

through monetary policy rather than

Jean-Claude Trichet, governor of the Bank of France, said the rate cut

ORACLE

any samak more than the 1.5 permitting day that the economy was still stack the fiscal year ending March 31. Although Prime Minister Keizo in the depths of its worst postwar recession and was unlikely to grow the economy would have to grow the conomy would have to grow the economy would have to grow the conomy was said the economy was still facing "very severe conditions," although Prime Minister Keizo the fiscal year ending March 31. Obuchi has staked his political from the previous quarter.

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The same of the fiscal year ending March 31. Obuchi has staked his political from the previous quarter.

The same of the fiscal year ending March 31. Obuchi has lower house of Parliament, Mr. December quarter and the January- a recovery that quickly. level, and unemployment is March period, Mr. Miyazawa said. Mr. Miyazawa ruled out more severe, Mr. Miyazawa said.

Mr. Sakaiya said Thursday that the agency saw some positive signs within the economy. But he indicated the economy could contract as much as 2.2 percent for the year.
(AFP, Bloomberg)

Nissan Denies **Trucking Sale** members of the single currency got the new central bank out of a tricky

TOKYO — Daimler-Chrysler AG will pay Nissan Motor Co. about 20 billion yen (\$166.5 million) this month for control of Nissan's truckmak-

top Nissan executives. Nissan executives denied the report, saying there had been no such agreement. A Daimler-Chrysler spokesman in Stutt-gart also denied the reported deal between the two companies, saying there had been no

The newspaper's report said DaimlerChrysler AG, formed Nov. 17 by the merger of Daimler-Benz AG and Chrysler Corp., would buy a 33.4 percent stake in Nissan Diesel Motor Co., the smallest of Japan's four truckmakers. It said Nissan

ing affiliate, the Mainichi Shimbun said Friday, quoting

real progress in their talks.

would retain a 6 percent share. (Bloomberg, AFP)

China Banks Downgraded By Moody's Compiled by Our Staff From Dispatche

BEUING - Moody's Investors Service Inc. confirmed its sovereign debt ratings on China and Hong Kong on Friday, but the credit-rating concern also downgraded 11 mainland Chinese banks, citing the continued decline in the sector's financial health despite government reform efforts.

Moody's confirmed its A3 foreign-currency credit rating for China and Hong Kong while downgrading most of China's banks that it rates, including State Development Bank of China, the only lender directly controlled by the country's State Council. The downgrading suggests that China's problems with its banking system run deep. It also means the banks will have to pay more to borrow money from overse ing their position even shakier.

The economic and operating environment for the Chinese banking system has become substantially more difficult in recent years, Moody's said. "The slowdown in commodity-price deflation, overca-pacity and the Asian financial crisis have placed severe pressure on the already weak financial condition of the corporate sector."

"As a result, the banks continue to experience rising loan delinquen-cies, aggravating their already weak asset quality," the rating concern added. "The pressure on the banks to continue lending to the loss-making state sector will, in our opinion, lead to further asset-quality problems at these institutions.

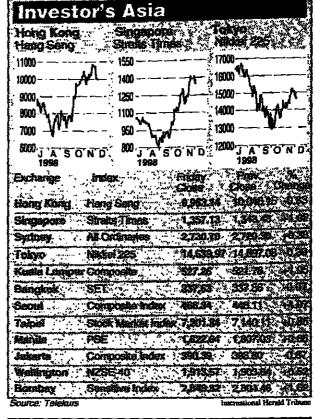
At the same time, the Moody's reaffirmation of China's sovereign debt rating was seen as a boost for the country's effort to attract investors for a \$1 billion debt placement.

investment community was expecting the rating to be downgraded."

Moody's, which had had China on review for a possible downgrade since September, said the outlook for the country's investment-grade credit rating was now "stable. Part of the reason China is selling

the government bonds is to set a benchmark price so that Chinese companies and banks can sell international bonds of their own.

(Bridge News, Bloomberg)



Very briefly:

احكذامن الأحن

the domestic economy, intensifying enong Bhd., Malaysia's biggest industrial group, had a commodity-price deflation, overca-worse-than-expected loss in its first quarter, which ended Sept. 30. Renong said it lost 144.99 million ringgit (\$38.2 million) in the quarter, reversing a profit of 22.9 million ringgit a year earlier.

Malaysia has applied for \$3 billion in loans from the World Bank, the national Bernama news agency quoted Mustapa Mohamed, the second finance minister, as saying,

· Hong Kong's biggest banks cut their prime lending rate by a quarter-point for the third time in three months. Banks including HSBC Holdings PLC, Standard Chartered Bank PLC and Bank of China cut their rates to 9.25 percent after the Hong Kong Association of Banks cut deposit rates to 4.5 percent from 4.75 percent.

 Honda Motor Co., Japan's third-largest automaker, racked up sales exceeding those of rival Nissan Motor Co. in November on strong demand for its new minivehicles. Honda sold 65,801 vehicles in November, 4 percent more than Nissan's total of 63,276, according to company figures.

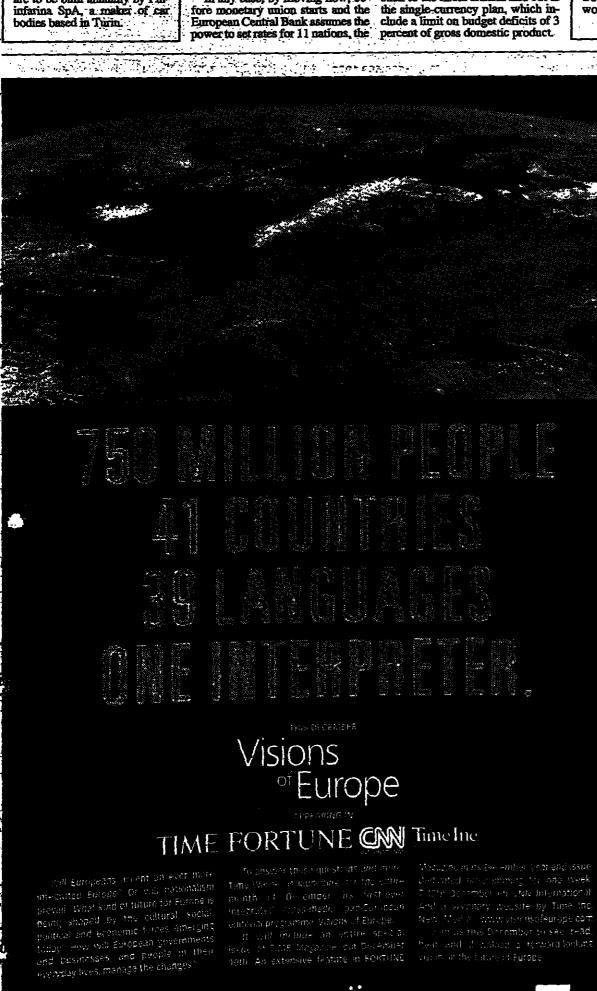
"This is a tremendous boost for Nan Ya Technology Corp., a Taiwan microchip maker, had the roadshow and for the global bond its first monthly pretax profit ever, 20 million Taiwan dollars offering." Fan Jiang, executive director for fixed-income research at pansion of capacity.

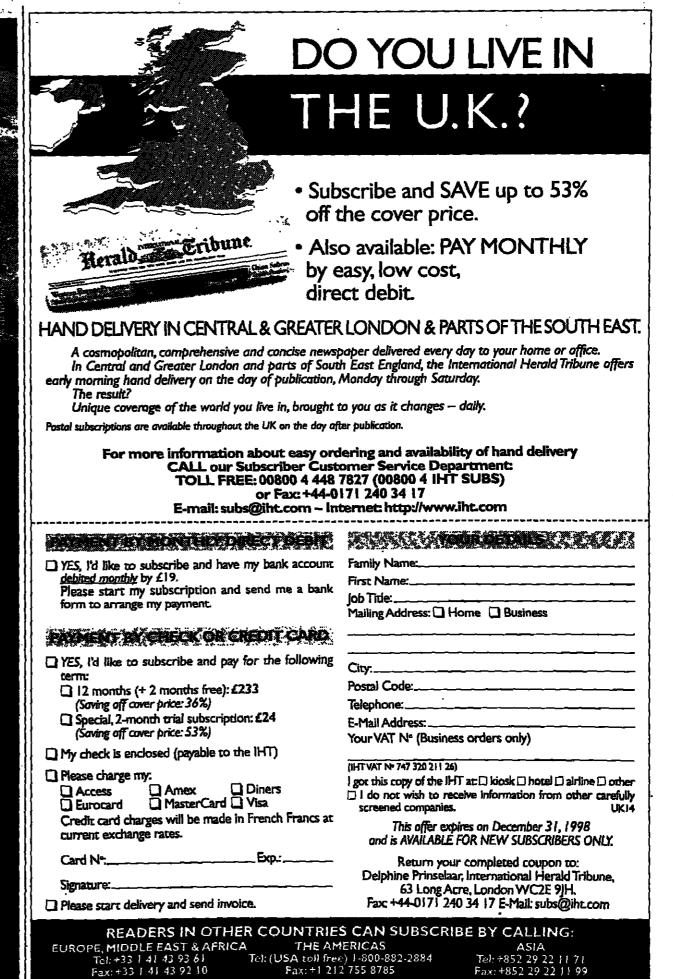
Goldman, Sachs & Co., said of the Standard & Poor's Corp. has lowered Pakistan's long-sovereign-debt reaffirmation. "The term debt rating from CCC-minus to CC, with a negative outlook. S&P reaffirmed its short-term debt rating of C.

> Philippine consumer prices posted their biggest rise in more than two years in November, after typhoons damaged crops and washed out roads. The National Statistics Office said prices of goods and services consumed by households rose 11.2 percent from a year earlier.

> • China Petrochemical Corp. the country's main oil refiner, had a pretax profit of 2.1 billion yuan (\$253 million) in the first 11 months of the year, well short of its target of 4 billion yuan for all of 1998, the China Petrochemical News reported, quoting Li Yizhong, the company's general manager.

(Reuters, Bloomberg, AFP)





NASDAQ HIGH UNI SECO. Friday's 4 P.M The 1,000 most traded National Market securitie terns of dollar value, updated twice a year

12 Month High Low Stock

NYSE

| 12 | Month
| 12 | Month
| 13 | Month
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Silve Silve

the Bottom.

Near the Bottom, Looking Up: Stocks That May Deserve a Break

NCE burned; twice sky? If the rapid recoveries in many stock markets from equally expeditious summer melidowns have you nervous about buying equities, yet the paliry returns available on high-rated bonds and other safe investments strike you as insufficient, one estategy to consider is to look for shares that for one reason or another have racked up substantial declines and have

not rebounded to their previous levels. This kind of stock, sometimes known as a fallen angel, is a way to hedge your bets. If world markets turn down again, these issues have little scope for further declines because optimistic investors do not hold many of the shares. If markets remain stable or rise, these stocks hold the potential to post stable gains as they overcome the reasons for their sharp drops.

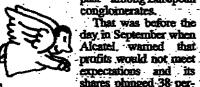
The trick is to identify companies whose shares have fallen because of problems that are being solved or because investors are overly pessimistic about their prospects. To that end, Money Report correspondents quizzed analysts around the world, seeking genpanies with limited downside but agnificant upside potential.

The following seven companies merit

your consideration, but only if you are willing to wait several years for their valuations to improve.

Alcatel: Coming Full Circle

There were few European companies more beloved by professional investors than Alcatel SA. One analyst referred to the French company's efforts to streamline its operations and concentrate on telecommunications equipment as one of "the great restructurings of the recent past" among European



hares phinged 38 pertent, one of the greatest routs in the history of the Bourse. The decline from the peak in July to the trough at the end of September totaled nearly 70 percent.

rallied to a high of 1,425 francs (\$253) on July 16 as analysts repeatedly raised earnings forecasts for the company. They were seduced by what they saw as exceptionally strong management that was vigorously taking steps to rid Aicatel of a number of businesses with mediocre prospects. The analysts argued that Alcatel should be valued as a maker of telephone equipment, not as a cumbersome conglomerate.

What they had not counted on but maybe should have foreseen, given that they are in the prediction business, is that European phone companies were secreted in restructuring their opera-ions in the freshly deregulated industry and were spending less on equipment

than had once been expected. After finding out in the cruelest way that their earnings forecasts had been utterly unrealistic, the corps of analysts who follow Alcatel are taking care not to be fooled again. A recent report by Morgan Stanley Dean Witter Inc. — which before the bloodbath had judged Alcatel a "strong buy," ranking it among the best of the best — lowered its earnings forecast and reiterated a neutral rating on the stock issued after the decline.

"The telecom-equipment industry is experiencing a period of considerable uncertainty, exacerbated in Alcatel's case, we believe, by the fact that senior management is not close enough to developments within its own markets, Morgan Stanley's latest report stated. "Alcatel is making efforts to move closer to its customer base and to better anticipate market trends, but we are unsure as to when these initiatives will start to make a material difference."

Douglas Smith, who follows the company for Salomon Smith Barney Inc., is ready to give it another chance. On Monday he raised his target for the stock to 850 francs from 750. The earlier target was just slightly above the trading price that day, which was about where Alcatel was trading nearly a year ago. The shares closed Friday at 720.

"In many ways the picture has now come full circle," Mr. Smith said. "The view of the company and its valuation are back precisely to where they were in February. But despite the incredible dis-appointment in September, Alcatel is clearly a better firm than it was in Febmary. It is more focused, the U.S. has become its largest and fastest-growing market, and several telecom businesses are doing much better than they were at the beginning of the year."

Alcatel may have to rely on the United States to expand its business, for there is evidence that growth will remain hard to come by in Europe.
"In talking with Deutsche Telekom,

France Telecom and Telecom Italia, they are all reducing their capital expenditure and devoting most of it to buying stakes in foreign companies," said a fund manager who specializes in the industry.

"When you're playing with high-multiple stocks, they had better deliver the numbers," the manager, who asked not to be identified, remarked. "These days they can fall 50 to 60 percent, and

that's just in the first day."

Alcatel is no longer a high-multiple stock. Its price-to-earnings ratio is 24, in line with the CAC-40 index of French blue-chip issues. In July, it fetched more than 46 times carnings.

- CONRAD DE AENLLE

Globex:

Stocks do not come much closer to crashing than have those of Globex Utilidades SA. Preferred shares in the Brazilian electronics and food retailer traded Friday at around 5 pesetas (4 cents) after phinging to just 3 in September. Early last year, they traded hands at

No More Bad News

Globen is a great buy at this price," said Stephen Rose, managing director at the investment advisor UBB Capital Markets in London. "All the bad news is out now, and it is just a question of when shares will rise."

That may be some time, however: Mr. Rose suggested that investors buy shares in the company with a three-year view. Globex, the owner of the Ponto Frio chain of stores, is based in Rio de Janeiro and has outlets through the south and southeast of Brazil. After years of steady growth, it was slammed by the country's recent credit squeeze Many customers bought on credit and then defaulted when anemployment rose and consumer credit costs soared along with interest rates, forcing the



inventory at a time of slowing sales. 'Globex has had a hard time but it's still very strong because it's well managed and has a good reputation," Mr. Rose said. "The management did all the right things and sales should soon pick up products is low in Brazil, he said.

Responses by management to the crisis included selling some financial investments and shortening the average term for installment plans for new buyers. At the same time, the company continued to improve logistics and distribution through economies of scale. investment in computers, and exploiting its bargaining power with suppliers.

Fatima Sacco and Flavio Dania, analysts at UBB in Sao Paulo, said pretax profits would reach \$69 million next year, up from an estimated \$48 million this year and \$54 million in 1997. - ALINE SULLIVAN

ING: A Hard Landing

The bigger the angel, the more painful the fall. Shares in ING Groep NV, Europe's fifth-largest financial services company, have plunged 33 percent since July as investors continue to bail out of company to make substantial bad-debt emerging markets. The latest battering provisions. To complicate matters, the came just a week ago when the Dutch company was also caught with a bulky company said trading losses had forced a

16 percent drop in third-quarter profit. But ING has little, if any, emergingmarket exposure left, according to Michael Levy, head of international equities at Bankers Trust Corp. and manager of the \$570 million BT Investment Inter-

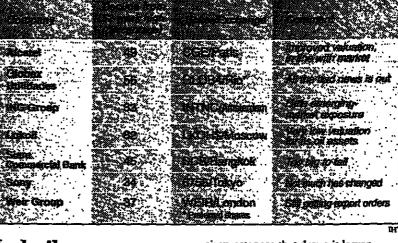
People still perceived the group to have emerging market exposure but it doesn't," Mr. Levy said. "It got out of Latin America and other difficult markets and has made all the necessary provisions. At this price, which is just above book value, ING is an excellent buy." ING more than doubled its reserves against bad loans, to 545 million guilders (\$288.9 million), in the third parter, up from 205 million guilders in the corresponding period last year.

Other analysts point out that ING's corporate and investment-banking operation - which is under review by its new chief executive, David Robins accounts for only about 10 percent of the company's business. The rest is doing very well. Indeed, in the first nine months of this year, the insurance business's contribution to group net income rose 74.1 percent to 3.35 billion guilders. All told, nine-month profit rose 42

percent, to 4.86 billion guilders.

ING last week maintained the fullyear profit forecast it made in October, saying that per-share earnings will rise about 15 percent from 1997 figure of

ALINE SULLIVAN could benefit from a change in any of the



Lukoil: **Double Whammy**

AO Lukoil Holding, the huge Russian energy company, has been a lightning rod for the fear that has gripped emerging

markets over the last year and a half. more liquid stocks, the ones that inwant to exit a market in a hurry - and

more in a hurry to leave than Russia. The fact that the commodity that Lukoil sells, crude oil, has experienced its own dramatic price decline has not

helped.

The stock, which is listed in Moscow and on the Nasdaq market in the United States, fell about 90 percent from its 1997 peak; it has recovered since, but at its current price of \$4.19 it is still 82 percent off its 52-week high of \$23.85. Depending on the criterion used, the

"Lukoil's current low profitability puts it at higher valuation multiples than its Western peers, although the gap should narrow in the medium term," said Andrei Gaidamaka, who follows

Witter Inc.

industry.
"Lukoil's large proven reserve base makes it the largest publicly traded oil company in the world," he said. "The stock would have to appreciate by five to 10 times before it would reach the perbarrel-of-reserves valuations of even emerging-markets oil companies."

Do not count on that happening soon. Mr. Gaidamaka noted that 80 percent of those reserves are in western Siberia and have "marginal field economics," meaning they cost at least as much to extract as they can be sold for. This was true, he said, even before the price of crude spiraled downward.

On the plus side of the ledger, he cited a number of joint ventures that Lukoil has with Western oil companies, which gives it access to capital and technology, and its "aggressive management able to seize development opportunities.'

growth in the bottom line in three to five years' time," Mr. Gaidamaka said.

he saw reason to hope that the worst may be behind Lukoil and that the stock

As a bellwether and one of the largest companies in Russia, it has one of its vestors look to dispose of when they there were no markets that investors were

stock now appears either cheap or ex-

the company for Morgan Stanley Dean

But a rough assessment of its worth, made by calculating the price that all of the oil in its reserves would fetch on the market, suggests that the stock is trading

"We expect this to translate into high

Roger Monson, head of equity strategy at Rabobank International, said

"On any sign of light at the end of the

Russian tunnel, or in crude prices, this will be one of the first stocks bought by foreigners, as well as by surviving domestics," he said. A planned alliance with RAO

Gazprom, Russia's largest company, also could spur investor interest, Mr. Monson said. "Its deal to combine with Gazprom will make it part of a global. energy powerhouse, once finances are sorted out," he said. "The deal so far is for production and exploration cooperation, but there is now also a plan to do: joint distribution and marketing, not only in the CIS zone but globally." The Commonwealth of Independent States: is how the countries that the Soviet nion comprised are now known. - CONRAD DE AENLLE

Siam Commercial Bank: Survivor

If the economic crises in the developing markets have taught international investors one lesson, it is that no matter how desperate their financial plight, certain companies will always manage: to weather catastrophe.

Take Siam Commercial Bank, one of. Thailand's foremost financial institutions. It may not be a very attractive investment on paper, but despite having a negative net asset value the bank is still in business and trading on the Bangkok stock exchange. Even after a recent rally that saw its price double, at its Friday_ closing price of 15.75 baht (43 cents) it is still almost 45 percent below its best level of this year.

Peter Scott, managing director of Lon-: don-based emerging markets fund spe-cialists Beta Funds Ltd. said that investing in Siam Commercial Bank sharesis the same as investing in options.

"Shares in the bank have no real, value, but some investors are prepared to take a two-to-three year view that the bank will bounce back into profit again." he said. "The premise is that the bank is too important an institution. in Thailand to be allowed to go bust."

It helps, he added, that Thailand's

monarch, King Bhumibol Adulyadej, is a major shareholder. "The very idea: that one of the king's largest investments might fail is incomprehensible to

many people," Mr. Scott said. The Bangkok stock exchange has recovered a lot of lost ground in recent months. It is up by almost 69 percent from its low point of 200 points earlier in the year. But as Mr. Scott pointed out, an improvement in the fortunes of the

Continued on Page 18

For Kids on Your List, Gifts That Keep On Giving - and Time to Enjoy Them

ANT FIND a Furby for your kids? Then buy them shares of Hashro inc. the company that makes the pesky little electronic pet Hasbro, Microsoft Corp. or McDonald's Inc. shares probably aren't on the top of the holiday wish list of your child or grandchild. But they should be.

Unlike a Furby, the season's hottest toy, stocks won't be discarded in a few weeks or even a few years. They let your kids glean one of the greatest advantages of youth: the time that lets their investments grow exponentially.

Say that you buy your nine-year-old son \$100 worth of stock, and it returns 10 percent annually (acmally a little less than the average since 1926). Over the first 10 years he holds the shares; they will grow in value by \$160. Over ented newsletter and, of the next 10, by \$410. Over the next ten, by course, regular financial results of the next 10, by \$2,780.

There's also an inter-

This is not just theory. In August, I told the story of how, when I was nine, my grandfather bought me a single share of Ford Motor Co. for about \$30. Earlier this year, I cashed in the stock (which, through splits, had become 16 shares) and received a check for \$828. Just last week, I got another check, for \$297 - the value of four shares of Associates First Capital Corp., a Ford spin-off that I didn't even realize I owned.

Of course, if I had been smart enough to reinvest the Ford dividends I received over the past 42 years (instead of spending them on the 950s equivalent of Furnics), my grandfather's 130 would have grown by a factor of 100,

instead of a factor of 40. What should you buy for children? Stocks of businesses that they know and that are likely to have staying power. A good example is Walt Disney Co., which sends its shareholders certificates festooned with cartoon characters, or Hashro, which also owns such brands as rating Playskool, Tonka, Super Soaker and Parker risk. Brothers games. On Tuesday, Jill Krunk, an Ad

Both Disney and Hasbro are holdings of an alternative mutual fund called Stein Roe Young Investor, which owns a portfolio of companies that produce products and services that chilthen or teenagers use, are aware of, or could potentially have an interest in."

The fund has 150,000 shareholders, and about 118,000 are children under 18. Stein Roe sends them loads of materials to help them learn about investing, including an "owner's manual" that describes what a mutual fund does, an activity book of puzzles and games about money, a cer-

tificate, an excellent kid-ori- JAMESK. GLASSMAN ON INVESTING ports. There's also an interactive website stock index by an average of 16 percentage

One of the newsletter's regular features is a question and answer session that lets kids write questions to the CEOs of companies the fund owns. For instance, in the spring 1998 issue. Marin Cannon, age 13, of Leneza, Kansas, asked Michael Quinlan, chairman of McDonald's, "Will you serve a veggie burger for vegerarians?" While there are no plans to add such a dish in the United States, Mr. Quinlan replied, "we do serve a 'veggie' burger in India; because beef is not part of its cultural diet."

Annual returns have averaged 24 percent over the past three years despite a sub-par 1998, with a return of just 8.8 percent (still well ahead of the average fund). "Recent performance shouldn't be viewed as a sign of a serious deterioration of quality," writes Macei Kowara, an analyst with Morningster Mutual Funds, which gives Young Investors its highest rating, five stars, with slightly below-average

Adults can buy Young Investor for kids under GiftShares, managed by Royce & Associates,

analyst with Salomon Smith Barney, upgraded the Uniform Gifts to Minors Act. The stock then reverts to the kids when they reach majority (usually age 18).

Another fund that appeals to adults who want to give to kids is American Century-Twentieth Century Giftrust Investors, which requires that purchasers give their shares to someone else child or not) and that they keep the money invested for ten years or until a child reaches majority, whichever is longer.

Giftrust, which invests in highly risky smallcaps, scored sensational returns from 1989 to 1995, whipping the Standard & Poor's 500-

points a year. But, lately, as small-caps have

lagged, so has Giftrust. It's down 23 percent this

Still I remain a fan. Over the past ten years,

Giftrust ranks in the top 8 percent of all funds,

according to Value Line, and it's a fund per-

fectly suited to young investors who have time

on their side. The companies it owns, however,

are less easily recognized by kids, and Giftrust's

managers, Chris Boyd and Johen Seitzer, reg-

ularly post turnover figures of over 100 percent,

meaning that they keep the average stock less than a year (Young Investor holds stocks for

Corp., which makes sophisticated gallium ar-

senide integrated circuits; Family Dollar Stores

Inc., the discount chain that is increasing profits 20 percent a year, and Suiza Foods Corp.,

another swift-grower, which sells dairy

A fund with a similar approach is Royce

Top holdings include Vitesse Semiconductor

two to three years).

products and ice.

year after a slight loss in 1997 as well.

the small-stock specialists. The fund has returned an annual average of 15.1 percent since it was started two years ago — eight points better than the Russell 2000, the small-cap index. But, for children, individual stocks can be more fun than funds. Look for stocks that have

prospects for the long term. Dow Theory Forecasts recently listed six companies whose earnings have grown for at least the past 15 years, with an average increase of 11 percent or more: Abbott Laboratories,

strong brand names, a stable history and great

which now has an important HIV drug; Automatic Data Processing Inc., with 148 consecutive quarters of profit growth; Emerson Electric Co., with 41 straight years of increased earnings;

McDonald's; Merck & Co., the pharmaceutical

powerhouse, and Wal-Mart Stores Inc., the largest retailer in the world. Cribbing from the asset list of Young Investor, you might want to consider Coca-Cola Co.; William Wrigley Jr. Inc., for the child you would rather see chew than smoke; Gillette Co., for the little shaver, or Fannie Mae, for the

prospective homebuyer. If you'd rather stick to the toy theme, Mattel, one of Young Investor's top holdings, is an obvious choice. And the current issue of Red-Chip Review, a small-cap research service, suggests four companies that have built product lines on exclusive licensing agreements. JAKKS Pacific Inc. makes World Championship Wrestling action figures; THQ Inc. sells electronic games, also with wrestling themes; Play-By-Play Toys & Novelues Inc. sells venerable little characters at amusement parks, including Bugs Bunny and the Tasmanian Devil, and Equity Marketing Inc. provides premiums, mainly to Burger King, based on movies such as "Anastasia" and "Jurassic Park."

When you buy stocks for kids, make sure that the brokerage firm sends them annual reports. Or hold the certificates yourself and set up a dividend-reinvestment plan (DRIP), so that your child earns new shares (or fractions) each quarter instead of cash.

On the other hand, getting dividend checks can be exciting. While stocks like Amazon.com Inc. and America Online Inc. are wonderful, they don't pay dividends. Good choices among dividend-payers, all on the recommended list of Standard & Poor's, include Colgate-Palmolive Co., Goodyear Tire & Rubber, Citigroup Inc.,

and International Business Machines Corp. If you're helping your kids invest, don't forget taxes. Liability is tricky, so check with an accountant. But Ellen McLellan at Metrill Lynch & Co. in Washington points to an idea suggested in a recent issue of Mutual Funds magazine: setting up Roth IRAs for kids. Mowing the lawn, doing the dishes, raking leaves" and so on are "a perfectly viable basis for an Individual Retirement Account contri-

bution," writes Barbara Whelehan. Say your 10-year-old daughter puts \$1,000 a year into an IRA (invested in, say, a mutual fund that returns an annual average of 10 percent). By the time she is 20, she'll have accumulated \$17,531. If she never adds a cent, it will grow to \$1,277,855 by the time she is 65. Even assuming inflation of 4 percent, that's buying

power in today's dollars of \$160,000. That's enough for an annuity that should beat

Social Security. Washington Post Service

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THE MONEY REPORT

BRIEFCASE

For Good Luck. Give 13 a Chance

If you are superstitious, 13 if you are worried about other ters rolled from 99 to 00? people being superstitious, then you might do a 13-month

man, gave a preliminary prediction of 7 percent growth for century engenders even more industry he likes is the inthe stocks in the Standard & philosophical rumblings, he terface between human and Poor's 500 stock index and 12 percent for similar stocks in well it is hard to tell because

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the rest of the world for the 13

Did he mean superstitious about computers not working city and creating efficient is not the best of numbers. But correctly as their date coun-"No, I meant supersti-

tious," he said in New York and market forecast for next year. this week. Whenever a de- growth of about 1 percent. That was the reasoning at cade changes, he explained, new periods. The turn of a companies. One part of the said, and a millennium - machine in the Digital Age.

sparse, but in the dry parlance of investment managers, Mr. Taylor said he expected to see some "nonfundamental is-sues before year-end" affecting the markets.

By way of example, he said he had recently read of a band of people that were planning to move to Jerusalem, where they were confidently awaiting either the second coming of the Messiah or Armageddon.

More prosaically, he asked, how many people do you know who would be willing to book an airplane flight at the end of next year? If the Year 2000 computer bug turns out not to cause massive disruptions, he said, by 2050 people will look back at the current fears and label them fin-de-

millennium superstition. So U.S. Trust has decided to give the markets a month to adjust to the new millennium, assuming it arrives safely.

'will overwhelm the weak- cut in half in just six months. ness of the Asian economies' and vanguish fears of global Trust is "slightly, slowly, caumostly outside of Japan.

months ending Jan. 31, 2000. algamations will prove ben- had hurt it, but that the comeficial by reducing overcapa-Russian assets. companies. Nonetheless, it will be a hard year, he said,

with flat corporate earnings worldwide economic Next year, Mr. Taylor pre-U.S. Trust Corp., where Fre- there is usually some debate dicted, would be another derick Taylor, the vice chair- about the nature of the old and good one for technology

> 'Digital is not good records from the last one are enough for all of us," he said. "We don't hear digital, we hear analog." So investors might look for companies that help change digital information into sound waves and such. Two companies that are leaders in that field, he said, are Texas Instruments Inc.

and Analogue Devices Inc. Another company he recommended was Amgen Inc., the biotech company. "They spend an awful lot of money on research," he said, raising the chances that the company will discover an important new drug. It is also a potential takeover candidate, he said.

Russia Exposure **Punishes Regent**

One of Hong Kong's only listed fund managers, Regent Pacific Group Ltd., featured in The Money Report on Feb. 28 and June 20, has taken When the cosmic dust huge losses as a result of putsettles, he said, stock prices ting about 30 percent of its should reflect growth in the funds in Russia, and assets United States and Europe that under management have been

While Regent has long been famously bearish on deflation. Indeed, he said, U.S. Asia, it had made major investment in the countries of tiously fearfully committing the former Soviet Union. In some investor cash to Asia, its June announcement for a profitable year ended March

Continuing corporate am- 31, Regent said that Russia

Not quickly enough, it appears. For the six months to value. Sept. 30, Regent lost \$7.4 million, partly because of huge write-offs that now assume Russian bonds will be worth 5 percent of what they were a few months ago. Re-Kong dollars (33.9 cents) to 83 cents. (IHT)

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REGENT PACIFIC's website is www.regent

Battrans: Poised For Discovery?

Baltrans Holdings Ltd., a freight forwarder featured in The Money Report of May 30 on underfollowed stocks, recorded lower but still respectable profits for the year ended

With plunging imports into Asia and sluggish exports (es-pecially from China), net profit at the company fell by 18.6 percent. Nonetheless, the stock was trading at a modest level of less than four times earnings when the an-

nouncement was made. Baltrans has cut its dividend this year, but the company's yield still stands at more than 11 percent, and that is after the stock rose 12 percent on Nov. 21, the day after the result was announced. The company's stock on

the Hong Kong exchange ended the week at 63 Hong Kong cents a share. That is down from 79 cents in late May but up from a low of 46 cents last month, (IHT)

TO VIEW THE PREVIOUS ARTICLE on the

Lo, How the Mighty Could Rise Again. Continued from Page 17 tock exchange does not necessarily year that the underlying assessment to the comment of the c

pany was getting rid of lots of stock exchange does not necessarily listed companies have improved in

"The worst of the financial crisis in Thailand is probably over, but those who are interested in investing in the region would be better advised to opt for companies that already have some value," he said. "The Siam Commercial bank will gent's shares in Hong Kong survive, but an investment in the bank will have sunk from 2.625 Hong have to work very bard indeed to achieve even a modest return.

-- BARBARA WALL

Sony:

Perennial Favorite

Sony Corp. has certainly fallen. From a record high of 13,390 yen (\$111) on July 21, it lost as much of 44 percent of its value in late October, though at its Friday closing price of 8,890 yen it is down almost 34 percent.

It is also one of the handful of stars of the Tokyo stock exchange in the 1990s. While the Nikkei 225-stock average has fallen about 60 percent during this decade, Sony was up by more than 50

percent in July.

So Sony qualifies as a fallen angel, but

does this angel have further to fall? The company's mystique is increasingly being challenged by pricing pressures for such mainstay products as video monitors and broadcasting equipment. An additional worry is that its PlayStation video game format, which brings the company more than 100 billion yen a year in profit, could face a sales slowdown.

The yen's recent strength against the Sony brand dollar was a further blow to the company, which gets 80 percent of its sales from outside Japan. Late in October, it revised its profit forecast for the year ending March 31 down to 170 billion yen from the previous 215 billion. One reason was a revision of its exchangerate assumption, to 135 yen to the dollar from 115.

Kimihide Takano, an electronics analyst at Dresdner Kleinwort Benson (Asia)

pany's prospects. With the weakening dollar applying further pressure on the share price, Mr. Takano recently asserted that the stock faced further weakness.

Among the uncertainties for Sony, Mr. Takano said, is how its computer-game mit will come through with the transition from its current model of PlayStation to the next generation machine. No matter how promising an outlook the new model offers, a temporary dip in game-machine sales is inevitable, Mr. Takano said, because the announcement of a new version will discourage purchases of the existing units. Mr. Takano recommended selling

the stock this week. But Koichiro Chiwata, an analyst who follows Sony for Salomon Smith Barney (Japan) Ltd., argues that little has changed in what made Sony a mightily competitive electronics company. Sony, Mr. Chiwata said, is one of the few Japanese electronics manufacturers that is prepared for diminishing profit margins on hardware. Sony has adopted a horizontal integration strategy, Mr. Chi-wata said, in which it has expanded into software as a way of offsetting the de-

clining value of its hardware. Sony's integration of content-related businesses such as movies and music, as well as network-related operations through which content can be distributed to consumers, allows the company to realize synergies by, for example, developing hardware "platforms," to which third-party businesses and users are drawn, Mr. Chiwata explained. Even Sony's hardware by itself remains more competitive than that of many of its rivals, analysts said, because consumers are willing to pay a premium for the

Mr. Chiwata has maintained a buy rating for Sony while lowering his previous target price to 10,000 yen from 14,500, reflecting the company's latest revision of its profit forecast, which Mr. Chiwata

attributed mostly to the rising yen. Despite his sell recommendation, Mr. Takano of Dresdner said he was not downbeat about Sony's long-term pros-pects. "Sony is not dead," said Mr. Takano. "You have to see the current

Weir Group: **Unfairly Priced**

Adverse industrial sentiment has played havoc with the valuations of Rois manufacturing

companies. Weir Group Ltd., a Scottish engineering company that produces valves and pumps for export, has had almost 37 percent wiped off its share

price since February. The shares change friday at £1.985 (\$3.30), despite was some describe as positive fundame

"While most British engineering companies with a strong export bias have been hit by the crisis in Asia and currency problems at home, some companies have proved to be more he silient than others," said Judish Mais-enzie, a broker with Glasgow-based brokerage firm Bell Lawrie, White & Co. "But, it would appear that this resilience is not always reflected in the

company valuation." Given the Weir Group's full officer books and strong earnings potential, the share price should be up at around £3.00," she said. "Weir Group supplies components for basic infrastructure projects, such as sewage systems. These projects are less likely than, say, more so phisticated and costly projects to be paron hold during times of economic ut ratainty. Weir Group is still getting orders from its main export markets in Asia and Eastern Europe, despite extensive economic problems in these regions."

If valuations do not pick up soon, Ms. Mackenzie said companies like Weircould become the targets of predatory U.S. conglomerates. She added: "Managers of some British engineering companies are getting increasingly frustrated by what many in the industry see as injustifiably low valuations. It is possible that some of the companies effected will be bought out by management."

— BARBARA WALL

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THE MONEY REPORT

Questions to Ask a Hedge-Fund Manager (Before Handing Over Your Cash)

A7: By Conrad de Aenile

THE KEY PLAYERS in the near collapse of the colossal Long-Term Capital Management hedge fund, which contributed to the summer plunge in share prices caround the world, made the same basic e mistakes with billions of dollars that the rest of us do with thousands.

Depending on their appreciation of Grony, investors will find that statement gither gratifying or horrifying

The LTCM episode highlights the risks inherent to hedge funds, but au-thorities on this exotic form of speculation argue that it can be a prosperous b and even relatively safe undertaking if this are managed prodently — both by fund managers and the investors who proplace their money with them.

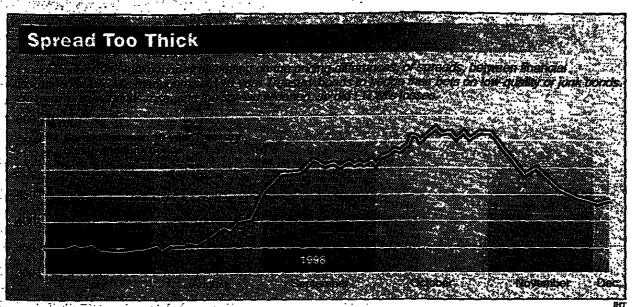
As their name suggests, hedge funds priginally bought securities they had on demified as undervalued and sold short sother securities deemed overvalued. The Aidea was to be immune from movements in a broad market while benefiting from , the pricing inefficiencies.

include unregulated investment pools of a massive capital injection from banks August and September. If they had poor all sorts, typically using leverage that had lest it money or invested in it.

That is why Evelyn Morgner, who what mistakes did they make?" enstruments to control securities worth many times a fund's capital.

LTCM is a hedge fund in both senses.
If tried to find pricing discrepancies, between bonds from different countries, say, or between corporate and government bonds. It also borrowed so heavily That each dollar of capital controlled \$40 or more of assets.

When so much debt is employed, it is not the securities themselves but the object of speculation. As the spread



because of the leverage, the value of the with the market? How many down

fund's capital can swing wildly.

In the case of LTCM, it swung the wrong way and to such an extent that in a down year? Today the term has been broadened to order to stay in business, the fund needed

handles investment planning for wealthy private clients at the consultancy KPMG, advises potential investors in hedge funds to ask two key questions of the managers: "How much leverage are they using, and do they have defensive reserves." Also of interest are the frequency and magnitude of margins calls — demands

when equity in them declines.

months have there been, what was the Soros, involves bets on the direction of a worst loss in a month, have they ever had

"Now you can ask how they did in

Ms. Morgner said she also was interested in knowing what managers did before starting their present funds and whether they have audited performance figures for their various endeavors. She also suggested asking for references

from similar types of investors. She said she would press for specifics for additional cash to hold positions on a fund's investment methods before entrusting cash to it. "I certainly would "We ask a lot of questions about risk like to have them explain how they conspread between them that becomes the levels," Ms. Morgner said. "How large struct their portfolio," she said. "I want would be the most significant position to know what kind of strategy they're

The first kind, exemplified by George market, whether it is the Thai currency or Russian bonds or silver. Arbitrage managers - including John Meriwether, one of the founders of LTCM—try to exploit price differentials, either between related securities or the shares of two companies involved in a merger.

There are many other varieties. Anyone considering buying a single fund would do better to buy none at all, advisers say, because it exposes investors to excessive volatility or to chronic losses if the manager is poor or if the fund's strategy results in taking positions that run counter to market trends.

Buying several funds, spread among several markets and investment techniques, can reduce volatility and preserve capital. While a few funds may provide

"You need 25 to 40 funds with dif- Mr. Meriwether and his fund. ferent strategies," said Luke Ellis, managing director of Financial Risk Man-

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affluent individuals select hedge funds. Many LTCM investors are thought to have placed an imprudently large portion of their assets into the fund, even senior

bankers, who should have known better. Choosing several funds "removes the risk of one fund blowing up, and you can construct a high-, medium- or low-risk

portfolio," he said. One way to do this is through a "fund of hedge funds," in which investors' money is pooled and then disbursed among several funds chosen for their individual merits and for synergies derived from their mix of strategies and

targeted markets. Investors should have realized that LTCM was a risky proposition, Mr. Ellis said, even if they were unsure exactly what the proposition was. If the fund's managers were secretive, citing a need to protect their trading strategies, that ought to have been sufficient to deter

knowledgeable investors from betting "A fund that won't tell you what it's doing is a high-risk fund," he said. considered high-risk. If somebody won't tell you something, you should want to know it more than if he did want to tell

So many otherwise sophisticated investors ignored basic rules because they vere seduced by the reputation of Mr. Meriwether, formerly vice chairman of Salomon Brothers Inc., and his Nobel Prize-laden team of managers.

"Lots of people went into LTCM based on the CVs of the managers," said

But they ignored the part of his resume that ultimately counted most: his agement, which belos institutions and years at the top of the bond-trading department at Salomon Brothers, where he earned a reputation as a gutsy trader who wasn't afraid to take risks, even outrageous ones.

Mr. Meriwether was forced to resign from the firm in 1991 in the wake of a government bond scandal in which Salomon traders tried to comer the market in Treasury bonds at several auctions by falsifying bids.

Aithough never personally implicated, as head of the government bond department Mr. Meriwether took responsibility for the incident, and some vestors feel this has marked him.

'Given his history, that he is someone with a tremendous chip on his shoulder who wanted to prove something to the world is not a surprise," said an investor who insisted on anonymity.

LTCM and Mr. Meriwether probably fit the public's image of hedge funds and their managers, but the truth is less ex-

Mr. Ellis characterizes the best managers as "niche players, very focused, and they are obsessional about losing 'Anything you don't know should be money. In a bank bigger is better, but with hedge funds it's the opposite. Find the smart guy who's going to give you what you want.

What investors should want, but may Besides, he added, "you can't make not get, are straight answers. In its se-45 percent in a year without taking a lot cretiveness, as in much else about the cretiveness, as in much else about the fund, the difference between LTCM and

its peers is largely a matter of degree. "I have yet to find a hedge fund that provides the quality of hard information on how investment strategies work that you can use to make an objective decision," one financial adviser said. "You might get an honest and direct answer to a third of your questions, but

December 4, 1998

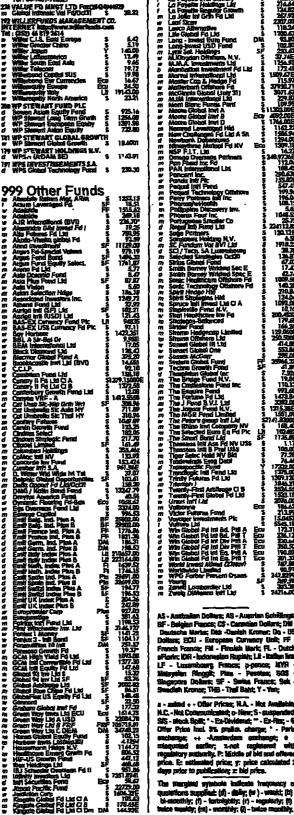
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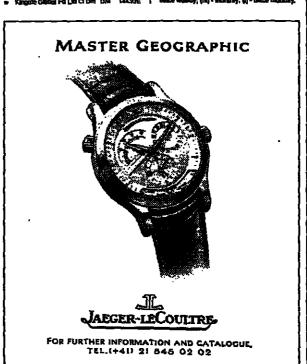
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SPORTS

World Roundup

Old Coaches Return

COLLEGE FOOTBALL LOU Holtz and John Robinson, both former successful college coaches, are back in football to see if they can

revitalize struggling programs. 'We have to create a miracle or a sense of passion first off," Robin-son said after he was named the head coach at UNLV, which will need sweeping changes to improve on its 0-11 record and 16-game losing streak. Robinson coached Southern Cal to high rankings in two tenures sandwiched around a stint with the Los Angeles Rams.

Holtz, who coached Notre Dame to a national championship and also coached the New York Jets, is making a comeback at South Carolina after a stint as a football analyst at

Gloom Hangs Over NBA

BASKETBALL The NBA and its players sat down in New York for the first negotiations in two weeks. but still got nowhere. The union came out of the 101/2 hours of meetings still asking for mediation, which the league refused. "As I stand here today, it's more likely we won't have a season than we will have a season," Commissioner David Stern said afterward. (LAT)

Quick Learner on Slopes

SKIING Anja Paerson has shown herself to be a quick study in ski racing. In only her fifth World Cup start, the 17-year-old from Sweden stunned a veteran field by coming from 15th place to win a women's World Cup slalom at Mammoth Mountain, California. The margin was .01 seconds over Zali Steggall



Anja Paerson, a former world junior champion, after victory.

Swedes Break on Top

They Take 2-0 Lead Over Italy in Cup Final

By Christopher Clarey International Herald Tribune

MILAN -- For most of the 4 hours 57 minutes that Magnus Norman required to give Sweden a 1-0 lead over Italy in the Davis Cup final, the banners dangling inside the Filaforum were much more diverting than the tennis.

There was the erudite: a quote from Dante's "Divine Comedy" that read, "Abandon all hope, all you who enter

There was the considerably less eru-dite: a quote from a Milanese fan that read, "I like Swedish girls."

But Davis Cup has long made a habit of turning water into wine, and that habit

DAVIS CUP

was not broken on Friday, which ended with the Swedes leading, 2-0. And by the time the marathon opening match came to a close abruptly and prematurely with Andrea Gaudenzi in great pain, the two error-prone and relatively anonymous combatants on court had the gallery's undivided attention.

Gaudenzi, Italy's No. 1, command-eered it by rallying from a 4-0 deficit in the fifth set with a lot of help from the nervous Norman to take a 6-5 lead. But on the final point of that 11th game, Gaudenzi cracked a serve and felt something go crack in his fragile right shoulder. As Norman's return misfired,

Gaudenzi hunched over at midcourt. At first, it appeared he was merely expressing the intense emotion of the moment, but it soon became clear that he was suffering again. He has already undergone two operations on his right shoulder, most recently on Oct. 1 when he had arthroscopic surgery to clean out

the joint and ease the pain that had forced him to take cortisone injections during the semifinal victory over the

Gaudenzi had not played an official match since that operation, and now the pain was resurfacing at a most inop-portune moment for him and the 12,000 Italians in the stands and the millions more watching on national television. As Gaudenzi sat on his chair on the

changeover, he grimaced and rotated his shoulder with the help of a trainer. He had already received treatment on the shoulder after losing the fourth set, but it had only been sore at that stage.

Now, it was all but useless, as the next game would make abundantly clear. Norman held at love to even this most even match at 6-6.

Gaudenzi then gamely tried to serve. He lost the first point when Norman greeted his soft second serve with a huge orehand return winner. In the middle of the next exchange, the I'alian stopped playing altogether, shook his head and trudged toward the net to retire.

Norman had prevailed, 6-7 (9-11), 7-6 (7-0), 4-6, 6-3, 6-6, and the chances of

Sweden's prevailing in this final only got better when Magnus Gustaffson crushed Davide Sanguinetti, 6-1, 6-4, 6-0, in the second and considerably quicker singles match.

The Swedes now need only one victory in the final three matches to defend their title. And the Italians will have to play those matches without Gaudenzi, who was due to play doubles on Saturday with Diego Nargiso and then play singles again on Sunday.

The Swedes have plenty of depth: they have used seven different singles

players in Davis Cup this year. But the Italians do not, and now that Gaudenzi



Magnus Norman, right, and Andrea Gaudenzi after the Italian retired.

cannot continue, they will have to rely on Sanguinetti to play with Diego Nargiso against the Swedish doubles team of onas Bjorkman and Nicklas Kulti.

They will then probably have to rely on Gianluca Pozzi, who is no clay-court master, to play singles on Sunday against Gustafsson.

If the Swedes do prevail, they will become the first team since the World Group was formed in 1981 to win six Davis Cup titles. Norman did not join the team until the first round this year, when he lost one five-setter and won another against the Slovak Republic on another indoor clay court inside a loud and hostile arena. At the time, it appeared that the strapping 22-year-old was headed for another fine season, but he has struggled through much of 1998, dropping 30 spots in the rankings to No. 52.

Like Gaudenzi, he has experienced

health problems during his career. Unlike Gaudenzi, the problems have been with

his heart. He has suffered from arrhythmia in the past, but he underwent surgery last December in Sweden.

And after watching him hustle around the Filaforum on Friday, pumping his fist in front of Gaudenzi's home crowd, it is clear that his heart is in working order. The tennis was not always pretty - there were unforced errors aplenty but it was always earnest.

When he met Gaudenzi at the net after their mutual ordeal, the two baseliners with streaks of clay across their tennis shirts embraced and exchanged compliments and condolences.

"I feel very sad for Andrea, who was playing an unbelievable match," the Swede said afterward. "I was also pretty glad to leave the court with victory.

Norman still has more tennis to play in Milan this weekend; Gaudenzi is facing another shoulder operation on Monday. "I cannot even lift a glass," he said, "so I think I'm out."

FIFA Move **Over 2002** Angers Asia

ZURICH - South America emerged as the winner and Asia the losers as FIFA, world soccer's governing body, re-shuffled the distribution of the 32 qualifying spots for the 2002 World Cup finals on Friday.

With the reigning champion, France, and the co-hosts, Javan and South Kyrea, receiving automatic entries, FIFA was left to decide how the remaining 29 spots - one less than for this year's

finals in France — would be allocated.

Asia, which saw four nations qualify this year, will still have four representatives in 2002, but two of those spots will be taken by Japan and South Korea, leaving the rest of the continent to battle it out over two qualifying

"Asia was decidedly unhappy about the allocations," said Keith Cooper, a FIFA spokesman. "While the continent will have four teams they consider they're playing for only two spots and see this as some kind of punishment. But as Mr. Blatter pointed out, it is just the same as in France.' He was referring to Sepp Blatter, FIFA's president Asian unrest over their qualifying

location revived memories of an happy chapter in that continent's relationship with FIFA. Asia and Africa were allocated just one berth between them for the 1966 finals in England and as a result Asian and African countries withdrew en masse from the qual-

ifying campaign.
In the end, just North Korea remained. from the two continents, and they won: through to the finals after beating Australia in a two-legged playoff. North Korea's position for 2002 was discussed informally on Friday, with FIFA indicating that if the political climate was suitable, two or even three of the matches scheduled for South Korea could be played in the North instead.

■ Stuttgart Coach Resigns

The beleaguered Stuttgart coach, Winfried Schaefer, resigned on Friday after just five months in the job, Reuters reported. "It was not possible to continue in the same direction and a radical change was needed, '' said the club president, Gerhard Mayer-Vorfelder.
Stuttgart, European Cup Winners

Cup finalists last season, has not won in six games and is a disappointing 10th in the Bundesliga. It was crushed 3-0 by Bayern Munich in a German Cupquarterfinal on Tuesday.

Schaefer was appointed in July after the dismissal of Joachim Loew. Several players, notably the striker Fredi Bobic. had criticized the coach recently.

American Gymnast's Conflict With Her Parents Escalates

By Amy Shipley

WASHINGTON - The dispute between Dominique Moceanu, the 17year-old Olympic gymnast, and her parents turned the corner this week from animosity to alleged attempted murder.

A police source said homicide detectives in Houston were continuing to examine evidence that Miss Moceanu's

father negotiated with a hit man to kill

her female coach and a male friend. Dominique Moceanu won legal adult status in mid-November after running away from her parents and charging them with mismanaging her money. On Monday, she got a protective order against her father, Dumitru, after accusing him of stalking her and nego-

tiating to kill her coach, Luminita Miscenco and a friend, Brian Huggins.

Dumitru Moceanu said through his lawyer that he hired a private eye but never planned to kill anyone, even though he is angry because he believes his daughter is having a sexual re-lationship with Mr. Huggins, 32, a married man. Mr. Huggins has secured a temporary restraining order for himself and his family against Mr. Moceanu and his wife, Camelia, and denies that he and Miss Moceanu had a sexual relationship.

The feud between Miss Moceanu and her parents would resemble a soap opera if it weren't heart-wrenchingly tranged from her parents since she ran hire allegations by circulating untruths a law school semester in family law."

away from home in October. She has spent weeks in hiding.

Their separation has spawned a bitter of scandalous allegations. A police source in Houston said an indictment against Mr. Moceanu was unlikely because the alleged murder-for-hire plan was never consummated with a cash payment. But the source said there were taped conversations in which Mr. Moceanu allegedly discussed a \$10,000

payment in exchange for the deaths of Ms. Miscenco and Mr. Huggins. Mr. Huggins, who helped Dominique Moceanu hide from her parents when she first ran away, has joined her real. A gold-medal winner in the 1996 in accusing her father of trying to dis-Olympics, Miss Moceanu has been es- tract attention from the murder-for-

through his attorney.
"They are basically trying to destroy
me," Miss Moceanu said this week public battle that includes a recent storm from a hotel in which she was secluded with her representative, Janey Miller. 'I am not having any sexual relationship with anybody. I never have." Miss Moceanu's parents both de-

clined to comment from Moceann Gymnastics Inc., the Houstonj gymnasium that their daughter owns and they manage. Their attorney, Katherine Scardino, said they had lost a substantial number of clients since their daughter sought legal adulthood but that they

were hoping to keep the gym afloat. "This is definitely one of the stranger things I've ever been involved in," Ms. Scardino said. "This could be

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, C-Kilger 5 (Cleary, Brown) Shats on good: 6-4-15--25. C- 6-5-7--18. Goodles: A-lebert. C-Thibault. First Period: C-Fleury 13 (Mams, Shank) ecold Period: C-Morris 5 (Bure, Cassels) pp. 3, T-Clark 11 (Janney, Cullimore) (pp. ppr. 3. 1 - Clark 17 (Janney, Culfanore) (pp). "Bard Period: C-Iginfa ? (Cassels, Shillman) 5. goet: T- 6-14-10—30, C- 11-6-7—24. FOOTBALL **NFL STANDINGS** EAST W L T PcL PF PA 8 4 0 .667 215 199 8 4 0 .667 231 168 7 5 0 .583 262 236 7 5 0 .583 268 242 2 10 6 .167 208 336 CENTRAL 9 3 0 .750 311 247 7 5 0 583 224 218 6 6 0 500 260 237 5 7 8 417 205 247 WEST
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BASKETBALL **U.S. COLLEGE SCORES**

DRSDAY RESULTS MEN

ToP 25
No. 2. Maryland (3-0) def. Wake Forest 92-69.
No. 20. Pillsburgh (7-1) def. Pronte View 78-64. No. 24. Clemson (7-1) def. E. Tenn. St. 82-54. LEADING COLLEGES Bucknetl 71. St. Francis, Pa. 57

Ponn 73, Lehigh 56 Rutgers 84, Columbia 49 Aubum 91, N.C.-Asheville 60 Novy 51, Belmont 50 Tennessee St. 67, E. (timois 59

CRICKET

LAHORE VS. ZIMBABWE SORDER VS. WEST HIDIES

THREE-DAY MATCH, OPENING DAY FRIDAY IN EAST LONDON, SOUTH AFRICA

SKIING

WORLD CUP

ine Egger, Austria, 1:41.49 Bo Wilberg, Sweden, 1:41.59 Trine Bakke, Norway, 1:41.89. 7. Martina Erit, Germany, 1:42.09. 8. Sanja Net, Switzerland, 1:42.16.

9. Karin Rosen, Switzerland, 1:42.23. 10. Karin Kollerer, Austric, 1:42.60. 0. Kom Koleers, Austra, 1,220. SIALDU (ather 2 Races): 1. Egger, 130 coints: 2. Poerson, 124; 3. Steggoll, 116; 4. Iraka Hrovot, Slevenic, 162; 5. Wilberg, 95; 6. Johko, 93; 7. Sofreniceser, 78; 4. Alenka Dovzon, Slovenic, 42; 9. Jonica Kostelic, nie 42; 9. jenies Kostelie Creatic. 40: 10. Entl. 51

SOCCER

COPA MERCONORTI FINAL, FIRST LEG Att. Nacional, Col. 3. Departuro Call. Col. 1 ITALLÀN CUP

seille 38: Monacu 27: Lyon 27: Rennes Paris-SI Germain 23: Bosila 23: Nantes Auxerre 23: Montpellier 21: Strasbourg

SQUASH

WORLD OPEN

Peter Nicol (1), Scotland, def. Stefan estaleyn, Belgium, 15-8, 15-13, 15-7.

TENNIS

DAVIS CUP HAJIM WE YACTIFT ITALY 6, SWEDEN 2

Magnus Norman, Swe., def. Andrea Goud-nzi, N., 6-7 (9-) 11, 7-6 (7-0), 4-6-5, 6-6 (30-

TRANSITIONS

from Cincinnati for RMP Manuel Barrios.

SAN DIEGO-Agreed to rerms with SS Chris

MATI-Skined QB Erickie ad. Waived LR Jan Ha

ford AHL -Assigned D Jason Doig to

eanez an 1-year contract. FLORUDA—Acquired C-18 Guillerma Garcia

N.Y. RANGERS-Logned RW Scott Fraser to

Reassigned LW Louie Reld. Signed RW Steve

THE WEEK AHEAD

France — men, women: Hoguis, loguis and Aerkeis, to Dec. 6. cort, Acesare, Austrea — Inet, Alexare Trains Open to Dec. & Inegs Logar — men. Nippen Series, to Dec. & Palm Harbour, Florida — men. women. J.Chemrey Classic, to Dec. & Sun City, South Africa — Sun Chy Million Dellor Challenge, to Dec. & Autreary Liveon, World Cop qualifying: Scotland vs. Spoth. Test: England vs. South

PEEDEKATING, Beijing — short-tro nd Cup, to Nov.4 TENNIS, Millon — Do Cup Final. Huly vs. Sweden: to Dec. 6. SUNDAY, DEC. 6

MONDAY, DEC. 7

TUESDAY, DEC. 8 ski JURIPBIO, Val di Flerame, Holy

ty.

SOCCER, Cepa Merconarta, final, retem
9: Deportivo Cali va. Atletica Nacional,
EFA Cup, 3d round, returna log: Liverpool va.
elita: Manselle va. Monoca; Zurich va.
soma: Real Bells vs. Balogan: Bruppe vs.
your Affelica Madrid vs. Real Societadi Bor-

Wednesday, Dec. 9 akos: Athletic Bibboo vs. Galato-mius vs. Rosenborg: Real Modrid

THURSDAY, DEC. 10

PORCET, Port Elizabeth, South Africa

rth Africa vs. West Indies, 2d test, tcj2ec, GOLF, Kenigami, Japan — men. Da Open, to Dec. 13.

nplons League, UEFA Cup

formeds to Dec. 11 FRIDAY, DEC. 11

2015, Melbourne, Australia --- men. Pres SICINEC., Alpine World Cop., Vol d'Isera.

Australia vs. England, to DER, Mex. City — Won ilp. quat Mexico vs. Arge SATURDAY, DEC. 12 Marineo, Nogario, Vorid Cup. to Dec. 13.

SKI JUMPINO, Oberhot, German World Cup. 2 120-meter Nill events, to Dec. 12. sacuseo, Alpine World Cup. Vol d'Isrge. France — men. downhill. Nerdic Werld Cup. act, Huly — men, women, to Dec. 13. Sic combined, Steamboat Springs, Col-Mode — to Dec. 13.

SUNDAY, DEC. 13

SECHENCE, Allpine World Cop., Vol d'Isare.

rance — men. super-g. ATHLETICS, Fentura, Holy-

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Versatile Jets Defense Set to Stuff Seattle

By Timothy W. Smith New York Times Service

Seahawks (6-6) at Jets (8-4) Jon Kima, who started at quarterback last week in place of an ineffective Warren Moon, guided Seattle to a thrilling come-from-behind 20-18 victory over that to happen. Chargers, 19-7.
Tennessee. Don't look for those types of heroics against the Jets. Kitna's loss of defensive tackle Bryant Young. head will be spinning by the time he's finished looking at all the defensive combinations the Jets will throw his way. Prediction: Jets, 31-13,

Bills (7-5) at Bengals (2-10) By the time the game rolls around, the Bills (will have had a week to accept those two awful calls by the officials that

NFL MATCHUPS

led to their loss to New England last Sunday. Having the opportunity to beat up on Cincinnati should take some of the sting away. Bills 23-10.

Cowboys (8-4) at Saints (5-7) Dallas goes into this game without either of its starting cornerbacks. Kevin Smith is out for 2-3 weeks with a back injury, and Deion Sanders has a fractured big toe on his left foot. But the Saints' coach, Mike Ditka, is talking about playing rookies, a sure sign that they're waving the white flag in New Orleans. Cowboys, 19-7.

Lions (5-7) at Jaguare (9-3) Tony Boselli, the Jaguars' left tackle, is listed as doubtful with a sprained akle. The bad news for Detroit is that Ben Coleman is a capable replacement. The Lions still have an outside chance of making the playoffs, but the Jaguars will put a damper on their hopes. Jaguars, 28-12.

Colts (2-10) at Faicons (10-2) The Falcons' quarterback, Chris Chandler, practiced this week for the first time since spraining his ankle on Nov. 22 against the Bears and expects to play against the Colts. The Falcons average 27.1 points a game when Chandler plays. Falcons, 33-20.

Patriots (7-5) at Steelers (7-5) Drew Bledsoe has been resting his broken right index finger this week. He needed to. The Patriots have relied upon late touchdown passes by Bledsoe to pull out victories in their last two games. Last year in the playoffs, the Patriots shut down the Steeler running back Jerome Bettis and dared quarterback Kordell Stewart to beat them. Pittsburgh won, 7-6. Look for the Patriots to use the same strategy. This time they'll win. Patriots, 25-17.

Chargers (5-7) at Redskins (3-8) Running back Terry Allen could return from a spramed ankle that has

sidelined him for four weeks. Unfortunately, it's not in time to belp Coach Norv Tumer. In San Diego, Coach June Jones is trying to get the word interim removed from his title. But the Chargers have to win im-pressively in their last few games for

who broke the tibia and fibrils against the Giants on Monday night, leaves a gaping hole in the middle of the 49ers defense. But San Francisco is good at making adjustments and focusing on the task at hand. 49ers, 38-10.

Giants (4-7) at Cardinals (6-8) The Giants have spent the week in the desert. Presumably, they haven't been wandering around trying to find their offense. The Cardinals are a reminder of just how far the Giants have fallen. New York smashed Arizona, 34-7, earlier this year and have gone 1-4 since. Meanwhile, the Cardinals are talking about making a playoff run. Cardinals, 27-19.

Chiefs (5-7) at Broncos (12-0) The last time these two teams played, the

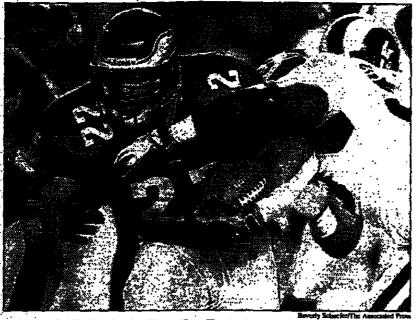
Chiefs lost their composure on the Broncos' final touchdown drive and committed five personal fouls. This has always been a bitter rivairy. Don't expect-things to have cooled down much in this game, Broncos, 36-11.

Dolphins (8-4) at Raiders (7-5) The Raiders jumped out to a 7-3 record and now they've hit the skids. This is a scary scenario for the Raiders, because they can remember 1995 when they got out to an 8-2 record and didn't win another game. The signs of trouble are there. During halftime of their loss to the Redskins last week some Raiders players were tearing into each other. Dolphins, 24-10.

Ravons (5-7) at Olives (6-6) The Oilers have dim playoff hopes, while the light is flickering on Ted Marchibroda's coaching temure in Baltimore. Oilers, 17-6.

Bears (3-8) at Vikings (11-1) As if things could not get any worse for the Bears, Erik Kramer, their quarterback, who had been plagued by shoulder problems all year, had surgery on his rotator cuff and is out for the season. But the Vikings aren't going to cry for Chicago. Vikings, 45-9.

Packers (8-4) at Buccarioers (5-7) The Packers had a lackluster first-half performance against the Eagles last week, and the Bucs are just the tonic they need. Tampa Bay will miss linebacker Hardy Nickerson (viral infection of the heart) for this game more than they did last week against the Bears: Packers, 26-16.



PHILADELPHIA STORY — The Eagles' back Duce Staley rambling against the St. Louis Rams. The Eagles spoiled the return to Philadelphia of their former coach, Dick Vermeil, as Irving Fryar scored his first touchdown in nearly a year and the Eagles beat Vermeil's Rams, 17-14.

Furor in NFL Over Fines, **Bad Calls and Criticism**

By Mike Freeman New York Times Service

NEW YORK - The Buffalo Bills' owner, Ralph Wilson, and the National Football League commissioner, Paul Tagliabue, are angry — for different rea-sons — over a subject that has had telephone lines burning this week across the league. Never before has the officiating gotten so many people so angry.

On Tuesday, Tagliabue, who is highly respected by the NFL owners, faxed a letter to Wilson, staring that he intended to fine him \$50,000 for his critical comments after two controversial calls in Buffalo's loss to the New England Patriots last Sunday.

The Detroit Lions' owner, William Clay Ford, who was highly critical of several calls during his team's overtime victory last Thursday over the Pittsburgh Steelers, was faxed an identical letter. In that game, the Lions benefited when an official misinterpreted the Steelers' call of the coin toss in overtime, but Ford called the game one of the worst officiated he had ever seen.

Wilson publicly blasted Tagliabue on Thursday for "pompous lectures." Tagliabue, in turn, was said to be

In a statement, the 80-year-old Wilson said: "The commissioner lec-turing to me as if I were a novice, instead of one who has been involved in football infinitely longer than he has, contends that criticizing a call has 'destructive and corrosive effects on the game," " "What is more destructive and corrosive -- errant calls in front of millions of viewers, or my statements of opin-

ion?" Wilson continued. "People all over the country registered shock at the way the officials, however honorable their purpose, took the game away from us. Even the league has admitted to us that the calls near the conclusion of the game were incorrect."

Wilson added, "I do know I don't need pompous lectures from the commissioner and I feel that the \$50,000 is not only unwarranted, but punitive in nature. The next time he may ask me to sit in the corner. Wilson is considered by his peers to

be one of the most admired owners in the league, someone who has always acted with class. So his comments were considered shocking.

Wilson could face yet another fine from Tagliabue because of his latest statement, said a league official. That official said Tagliabue was "furious" over Wilson's words.

The Bills lost, 25-21, to the Patriots, thanks mainly to two controversial officiating calls. The first call came during a fourth-and-9 play, during which the New England wide receiver Shawn Jef-ferson was awarded a 10-yard catch after replays clearly showed he was outof-bounds. The second call was pass interference in the end zone as several players jumped for a desperation pass that set up the winning touchdown.

A One-Shot Lead for Gow In 'Tough' Australia Open

احكزامن الأحوا

Compiled by Our SLOT From Disposities

ADELAIDE, Australia - Paul Gow shot a 2-under-par 70 on Friday to take a one-shot lead into the third round of the Australian Open golf tournament as bigname players barely scraped into the final rounds this weekend.

Greg Norman and Fred Couples were nearly spectators for the final two rounds after blustery conditions at Royal Adelaide sent scores soaring. Norman, play

ing his first 72-hole tournament since coming back from shoulder surgery, shot a 10-over-par 82 Friday while Couples shot his second consecutive 76.

"It's tough out there," said Gow, an Australian who played last year on the Nike tour in the United States. "You've just got to be patient and my to keep those doubles and triples off the card." Rodney Pampling was a shot behind Gow after a 71 Friday, while Peter Se-nior, shot 73 for a 143 total, two shots

the only players who were under par. The first-round leader, Stuart Appleby of Australia, also fell victim to the course, shooting a 76 Friday to leave him 1-over-

back. Gow, Pampling and Senior were

par, four strokes behind the leader. Norman and Couples, who will both play at Royal Melbourne in the Presidents Cup beginning next week, finished with two-round totals of 152 just making the cut of 8-over par. "I didn't have control of the elements today," Norman said. "I lost it and didn't get it back.

Justin Rose, a Briton, missed the cut by one stroke after making a double bogey on the 18th for an 81. Rose, 18, has failed to make the cut in all nine tournaments he has entered since turning professional, after he finished fourth as

an amateur at this year's British Open. The best round of the day was recorded by Nick Faldo. Faldo was in danger of missing the halfway cut after a poor opening round of 77 but recovered with a 69 on Friday to stand in 10th

place, five shots off the pace. Faldo attributed his turnaround to a chance meeting with the Australian golfer Norman Von Nida, who won the Australian Open in 1950, 1952 and 1953. Von Nida told the Englishman he was holding the club too tightly and approached him to suggest he loosen it.
"It all made sense," Faldo said. "I practiced last night and it was like a new

(AP. Reuters) day today.' ■ Price Stays on Top in Sun City

Nick Price kept his lead in the Million Dollar Golf Challenge on Friday in Sun City, South Africa, but his rivals stayed close. Reuters reported.

Price finished one stroke ahead of

Mark O'Meara after a second round 68 for a 9-under-par 135 total, but O'Meara stepped up the pressure with a 67. Lee Westwood also moved into contention with a 65, for a 137 total.

With the sun blazing down on the Gary Player Country Club course and conditions vastly different from the windy opening round, Price had five birdies on his card and one bogey.

Westwood shared third place with Justin Leonard, who had a round of 68. Tiger Woods also carded 68 and finished five strokes off the pace. His round included a double-bogey 6 at the eighth hole. He pulled his tee shot into thick bush, and he had to replace the ball in a virtually unplayable lie after a child mistakenly picked it up. Woods then tried to

and missed the ball completely. ■ An Honor for Westwood

Lee Westwood has been named the European Tour's Golfer of the Year after a season in which he won seven titles in six countries, Reuters reported from London.

punch it out onto the fairway left-handed,

The 25-year-old Englishman, was chosen ahead of Colin Montgomerie by a panel comprising members of the Association of Golf Writers and European Tour officials. Montgomerie, winner of the title for the last three years, holds the European Order of Merit title for the sixth successive year.

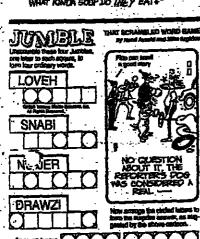


Tiger Woods trying a new approach to an approach shot Friday.

DENNIS THE MENACE



When Chickens Don't Feel Good, What Kinda Soup Do THEY EAT?



LE PETIT FUTE

alking

PEANUTS



GARFIELD

BEETLE BAILEY

I LIKE LOOKING OUT THIS WINDOW

BLONDIE



HICE

VIEW

OF COURSE, I CAN ONLY DO IT ON







WE JUST RAN OUT OF SNOWFLAKES















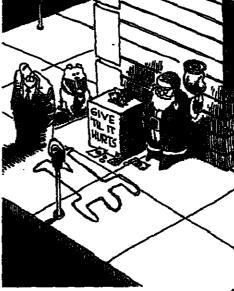




WIZARD of ID









A LOT OF FLA





LIVE - Rugby World Cup Qualifying Rounds

Scotland v Spain

tune in today 15:30 (CET)



Eurosport, Europe's No.1 Sports TV Channel, available on cable and satellite

MIAMI — So I'm sitting in a CNN studio in Los Angeles.

They have smeared makeup on my face so it will look naturally orange on television. A man named Mario has inserted an earpiece into my ear, which has me a little concerned because, not to brag, or anything, but I am the Mark McGwire of earwax production. I'm afraid that Mario will need a winch to get that thing back out of there. I'm also concerned about whether Mario cleans this earpiece between guests, and what other guests it was inserted into before me. Henry Kissinger, for

example. Yuck. The earpiece enables me to hear a voice coming from Could I catch an some other city. Atlanta, maybe, or New York, or possibly Addis Ababa. I'm on a book tour, and the way it works is, you go to a city, and then you go to a studio. or you

earwax-transmitted disease from Henry Kissinger?

get on a phone, and you talk to somebody in some OTHER city. "Never let the author talk to anybody who is in the same city as the author," is the first rule of book tours. The second rule is, "Never give the author a chance to do his laundry."

I've reached the point where I'm terrified that when I go through airport security --- which I sometimes do several times a day - I will be asked to open my suitcase, and it will be like that scene at the end of "Raiders of the Lost Ark" when they open the Ark of the Covenant and the horrible evil spirits come out and dissolve the Nazis, except instead it will be my undershorts that come hurtling out, shrieking, to attack the security personnel with the murderous fury of unwashed laundry that has spent way too long in a cramped, airless

environment with only its own disgusting self for company.
So anyway, I'm sitting there with the thing in my ear, getting ready to talk on CNN about my book. I can see on the TV monitor that former congressperson Pat Schroeder is on there, and former congressperson Elizabeth Holtzman and some other political experts, and they're talking about waitress moms, who have replaced soccer moms as this year's Important Voting Bloc, the result being that for a brief period before the elections it was almost impossible to get a cup of coffee in a restaurant because the waitresses were all surrounded by TV news crews demanding to know how they felt about Bosnia.

So I'm sort of half-listening to the experts talk about waitress moms, waiting for them to finish so I can talk about my book. Suddenly, I see MY orange face on the screen, and the voice in my ear is saying, to my horror, that we're about to hear MY views on: waitress moms. And of course I have no views on waitress moms. The issue that was actually on my mind at that moment was the risk of catching an earwax-transmitted disease from Henry Kissinger. So I pretty much just started blithering

'Don't just tweeze straight across! That's too much like a shrub!'

into the camera. I have very little recollection of what I actually said; I believe my basic point was that we should just turn the whole federal government over to waitress moms, because at least they can add.

The day before I had been on a TV show in San Francisco, and the other two guests were, I swear, a Siberian lynx named Oksana and a man who was billed as Eyebrow Architect Mica Klauber. Oksana mainly prowled around looking predatory, as if to say, "Try to put makeup on ME, and you can kiss your larynx good-bye." Meanwhile, in an interview with the cheerful host, Eyebrow Architect Klauber was discussing, dramatically, the Do's and Don'ts of tweezing. For example: "Don't just tweeze straight across! That's too much like a shrub!"

Speaking of the upper face: Several TV makeup persons told me that the big trend in California — balf the population of Los Angeles has had this procedure done — is to have a plastic surgeon INJECT BOTULISM TOXIN INTO YOUR FOREHEAD. Really. The toxin paralyzes certain facial muscles, so you can't frown, even if you try. This makes you wrinkle-free and younger-looking. Of course, it also limits you to the same range of facial expressions as a lizard; this is why, more and more, you will notice that I v and movie personalities are indicating their emotional state by waving their entire heads around, or darting out their tongues, as if to catch passing insects.

I don't know about you, but I would never have this procedure done. If I were a spy, and the enemy captured me, and they said, "Tell us what you know, or we will INJECT BOTULISM TOXIN IN YOUR FACE!" I would be talking faster than Richard Simmons on amphetamines.

Anyway, I do whatever the book tour people tell me to, in hopes that some day they'll let me go home, see my family, get some rest, and — above all — call the bomb-disposal unit to take care of my suitcase.

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Director Takes a Distant View of China's Past

By Joan Dupont International Herald Tribune

TANTES — It was at the Fes-LN tival des Trois Continents that a young Taiwanese director, Hou Hsiao-hsien, took his first step in the Western world. In 1983, the director won best film for "The Boys from Fengkuei," and in 1984 for "A Summer at Grandpa's." These were coming-of-age comedies, new and disturbing comedies. with death lurking in the corners.

This year, the Three Continents Festival in Nantes paid tribute to Hou for his masterly, mysterious ways of dealing with Taiwan's fragmented past.

Now I'm 51, an old man," the director laughed, looking at a 1980s picture of himself in the catalogue. "Not a kid any more."

Slow, long, shot from afar and tinged with tragedy, films like "A Time to Live, A Time to Die" (International Critics Award, Berlin 1985) and "A City of Sadness" (Golden Lion, Venice 1989) have won admirers - and evoked impatience — for their muted beauty and impacted emotion.

"Flowers of Shanghai," which drove some Cannes audience members to distraction last May, has opened to good response in Paris. Perhaps Hou's most distanced film of all, "Flowers" is a magically lighted meditation on China's past.
"Distance is a question of point

of view," the director said. "My point of view is both from the inside and from the outside. I'm not looking to dig into private lives, to discover intimate secrets, but to observe details of what goes on between people, ripples on surface behavior and relationships."

Adapted from Han Ziyun's 1894 novel, "Flowers of Shanghai," the movie depicts daily life and intrigue in the elegant brothels of Shang-hai's British enclave during the last the gentlemen callers and the his country of birth. "Flowers," girls with names like Ruby, Jasmin, Jade, Pearl and Em- Chen would have treated this houses" were the only place are more objective."



erald, who float through cushioned rooms thick with fumes of tea and opium, and who compete to retain protectors or to win freedom.

"I was hoping to shoot in Shang-hai, but the Chinese government blocked the project because the script lacked 'critical spirit.' When you do a film about prostitution, they want you to say what's good and what's bad. But I just wanted to show what was. I chose the novel because the writer spent time observing the fine points in this hierarchical prerevolutionary society."

The difference between 'Flowers of Shanghai' and a historical film by a Chinese director such as Chen Kaige or Zhang days of the Qing dynasty. There are Yimou, lies in the way Hou, an the women in charge, the servants, exile from the mainland. looks at

"You can see how differently

theme," Hou said. "His own ex- people could fall in love. perience with the past, with his father's generation, was about conflict. Conflict is important in films like 'Farewell My Concubine' or 'Temptress Moon.' In Chen's movies, characters use each other, push each other down in their scramble to climb the ladder, hurt each other for the sake of gain and ambition. That's his point of

Hou composed a trilogy about Taiwan's past ("A City of Sadness," "The Puppetmaster" and "Good Men, Good Women") from the humiliating period of Japanese occupation through the years of martial law, corruption and hoo-liganism. With "Flowers of Shanghai," he has plunged into Chinese history, looking back to a stylized, restricted age when "flower

'I think that Taiwan today is more like prerevolutionary China than is today's China," he said.

"Growing up in Taiwan, stories of ancient China nourished our imag-ination, our sense of romance. Chiang Kai-shek brought Chinese culture with him when he came to Taiwan, but in mainland China there has been a break with the past since communism and the Cultural Revolution."

Hou moved to Taiwan with his family when he was one year old. 'I was born after the civil war, so I didn't feel the burden of losing wanese stories, only Hollywood my homeland. Our aim, as kids, movies I've never because to in America. I make movies to try to parents, who never really un understand others and myself packed, felt the brunt of exile. In through reflecting on the past A Time to Live, A Time to Die, Modern life may seen like a the parents suffer exile; the kids middle, but much depends on the

His films echo the violence of his own youth, "because that's Taiwan every neighborhood has if gang." In Edward Yang gang." "In Edward Yang's movies," he said, "you see gangs from clans who came over with Chiang Kai-shek's army. My gang was different. My father died when I was 13, my mother when I was 17, so I felt pressure at bome. Outside, I got arrested for fighting and gambling my brother and sister thought I was lost forever. Then I woke up one day

and said, Enough.

After graduating from the National Taiwan Academy of Arts in-1972, Hou worked as an assistant and met Edward Yang and young directors who made up what is known as Taiwan's New Cinema. working with live sound, shooting without rehearsals. "It was a special time." Hou said. "Now we have gone separate ways; that's what filternakers do."

HELE, as his friends call him who named his small production company 3H Films, has emerged as the radical, the maniac for detail, He cast Tony Leung an actor from Hong Kong, as a mure in "A City of Sadness," and made him learn Shanghaiese to play the lead in "Flowers of Shanghai," opposite the Japanese actress Michiko Hada who spoke neither Cantonese nor Shanghaiese.

Reminded that Leung has said it was the most difficult role he's ever played and that Hou exploited hislanses, the director laughed, "Perhaps," he said. "I used Tony again, not because he's a star and I need stars for the international market, but because he has something repressed, like the character be

plays, a sad look.
A City of Sadness did fant astic business, but today, the Taiwanese don't want to see Taidistance we take from it.*



Coolio visiting the boutique during his trial.

THE American rapper Coolio was L found guilty of charges stemming from a confrontation with a boutique owner in a Stuttgart suburb, who said he punched her when she tried to stop him from taking merchandise without paying. A court in Stuttgart sentenced the singer, whose real name is Artis Leon Ivey Jr., to six months' probation and fined him 30,000 Deutsche marks (\$17,000) after convicting him of being an accessory to robbery and causing bodily injury. The Grammy Award-winning accused of leaving the boutique on Nov. 20, 1997, with clothing worth 1,500 DM. Coolio had denied punching the woman and said the incident was a misunderstanding. He said that he signed autographs in the boutique and that, in exchange, a clothing company had promised him and his group free outfits.

Robert Altman's murder-mystery comedy "Cookie's Fortune" will open next year's Sundance Film Festival in Utah. The film, starring Laura Dern

and Glenn Close, will be shown Jan. 21. In the 10 days following opening night, 12,000 people are expected to see 114

PEOPLE

Rodney Dangerfield found nothing funny about an Internet site that allegedly used his likeness without permission. The comedian reached a settlement with Epoch Networks Inc. after suing the company for \$2.8 million for "pirating" his name and likeness for its own commercial purposes. The com-pany denied the allegations and admitted no wrongdoing in the settlement. Terms were not disclosed. Epoch's president, Scott Purcell, said only that he and Dangerfield decided to "agree to disagree.'

Antique watches valued at about \$250,000 were stolen from the home of Gloria Estefan and her husband, Emilio, while they were on vacation. There was no apparent sign of forced entry to the couple's palatial gated estate on Miami's Star Island, the police said. The Cuban-born singer reported the theft after the Thanksgiving holiday and the police believe the watches were taken between Nov. 9 and Nov. 27,

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Frank O. Gehry-has been selected to receive the 1999 Gold Medal of American Institute of Architects. Rona Arthur Altoon, the president of the AIA, praised Gebry for "challenging convention, mapping debate and starting our sensitivities." Gehry, the designer of the Geggenheim Museum in Bilbao, Spzin, is the 57th winner of the award.

Jesus Lopez-Cobos, music director of the Cincinnati Symphony Orchestra since 1986, will retire in 2001. The Spanish-born conductor told the orchestra's board of trustees that he won't ask for his contract to be renewed when it expires in Jane 2000. At the board's request, he will remain as music director an extra year, until 2001, during the search for his successor.



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